

MONDAY SPORTS COLLEGE BASKETBALL See Page 13



Lendl Captures Australian Open

Afghan Capital Braces For Soviet Departure

By Richard M. Weintraub Washington Post Service

KABUL, Afghanistan — The helicopter gunships swirling in low over the Salang Highway, Kabul's lifeline to the Soviet Union, heading toward a clash at the edge of a plain only about 16 kilometers (10 miles) from the last perimeter outpost for the Afghan capital.

In the distance, huge explosions were followed by towering plumes of black smoke, a result of rockets fired by anti-government mujahidin guerrillas, according to Afghan Army personnel manning the station.

Only a couple of hours before, they said, a convoy of 350 trucks carrying vital food and fuel had passed the checkpoint, bringing relief to the more than two million residents of the beleaguered Afghan capital.

In a matter of days, convoys of Soviet troops and equipment are expected to head north up the same highway, ending their nine-year stay in Afghanistan and bringing resolution of a decade-long civil war closer to a final reckoning.

Seen from inside Kabul, the mountains form a forbidding snow-capped bowl around the city. But from a vantage point 13 kilometers outside the city's perimeter road, the snowfields rise up steeply only a few hundred meters away from the two-lane highway. In places closer to the Salang tunnel, which is about 115 kilometers north of Kabul, they edge closer.

It was at the tunnel that Soviet and Afghan government forces reportedly bombed and shelled Afghan villages and mujahidin positions a week ago to clear them for the departing Soviet troops and the southbound supply convoys essential to the survival of Kabul and the government of Major General Najib, the Afghan leader. Several hundred villages and guerrillas were reported killed.

But Afghan soldiers said Sunday that mujahidin forces remained in the mountains bracketing the highway, and the firefight in the distance bore witness to their continuing ability to attack.

"The opposition, they are up there," said an Afghan, pointing to the mountains.

The convoy came through relatively unscathed on Sunday, according to the Afghan soldier at the checkpoint, with minor damage to trucks and wounds to one driver.

Despite a continuing airift of flour and other goods from the Soviet Union, residents of Kabul continue to line up in the predawn hours for limited quantities of bread and flour.

Limited fuel convoys have done little to shorten the lines at Kabul's

U.S. Underrated Level of '62 Soviet Force in Cuba

By Michael Dobbs Washington Post Service

MOSCOW — The United States seriously underestimated the number of Soviet forces prepared to defend Cuba during the 1962 missile crisis, a former U.S. defense secretary, Robert S. McNamara, said Sunday.

Meeting with reporters after a two-day Moscow conference on the Cuban events, Mr. McNamara said he had assured Soviet and Cuban participants that the United States had no intention of invading Cuba before the crisis erupted. But he said he was convinced that the Cubans had genuinely believed that an invasion was likely.

New revelations at the conference, the first U.S.-Soviet-Cuban meeting to discuss the missile crisis, suggest that there were major failures of communication between Moscow, Washington and Havana. It has become apparent that both President John F. Kennedy and Nikita S. Khrushchev, the former Soviet leader, lacked vital information in assessing one another's motives and actions.

American participants now appear to accept that one of Mr. Khrushchev's primary goals in installing missiles in Cuba was to defend the island against a possible U.S. invasion. When U.S. officials and ac-

demies met in Florida in 1967 to discuss the crisis, they speculated that Mr. Khrushchev may have been acting to shore up his domestic political position or to strengthen his hand over Berlin.

At the press conference Sunday, the former Soviet ambassador to Washington, Anatoli F. Dobrynin, said that he had not

Soviet military personnel in Cuba at the time, supported by the 240,000-member Cuban Army.

Mr. McNamara, the senior former U.S. official at the conference, said that the United States had estimated the Soviet presence at only 10,000 to 12,000. "In any event," he said, "the Cubans said they

"The Cubans said they would fight to the death, in their phrase 'to the last bullet.' Just think about what would then have happened."

Robert S. McNamara

been informed of Mr. Khrushchev's decision to install missiles in Cuba until the crisis broke.

"See how great a secret it was," said Mr. Dobrynin, who was the main channel for messages between Washington and Moscow during the crisis and who now serves as a foreign policy adviser to President Mikhail S. Gorbachev.

A Cuban Politburo member, Jorge Risquet, said that as many as 800,000 people could have died if the United States had invaded the island at the height of the crisis. He revealed that there were 40,000

would fight to the death, in their phrase 'to the last bullet.' Just think about what would then have happened."

The crisis started in mid-October 1962, 18 months after the Bay of Pigs fiasco when U.S.-armed Cuban guerrillas began an abortive invasion. Mr. Khrushchev finally bowed to intense U.S. pressure and agreed to dismantle the Soviet missiles in return for an American pledge not to invade Cuba.

Warheads Were Deployed

Bill Keller of The New York Times reported earlier from Moscow:

Iran's Poison Gas Has Links to West

By Michael R. Gordon and Stephen Engelberg New York Times Service

WASHINGTON — Working through its embassy in West Germany, Iran has secretly enlisted companies from Germany, Asia and the United States to expand its limited stockpile of the chemicals needed to make poison gas, according to U.S. court records and American officials.

The officials said Iran stepped up its purchases in the late stages of the Iran-Iraq war, during which both sides used chemical weapons.

The officials said Iran, apparently in an attempt to match the superior chemical capabilities of Iraq, has continued to buy chemicals in large quantities since the truce to the Gulf War in August.

Iran's plans to improve the output of its poison-gas factories concern administration officials, who say they are worried about the spread of chemical weapons in the region.

The administration has shown less public concern about chemical warfare programs in Iran, Iraq and Syria than it has in Libya.

U.S. officials have recently mounted a public campaign to prevent Libya from receiving Western help in running a chemical plant that the administration says is the largest poison-gas factory in the Middle East.

"The Libyan program got attention because it was new and because it involved Gadhafi," said one official, referring to the Libyan

leader, Colonel Moammar Gadhafi. "Iran's program has been going on for quite some time, and we're trying to slow it down by putting pressure, behind the scenes, on suppliers of chemicals."

Iran's efforts in Bonn to obtain chemicals were revealed, in part, through a Customs Service investigation in Baltimore. That inquiry

Officials are investigating a report that Iraq received a deadly bacterium from a U.S. company, Page 5.

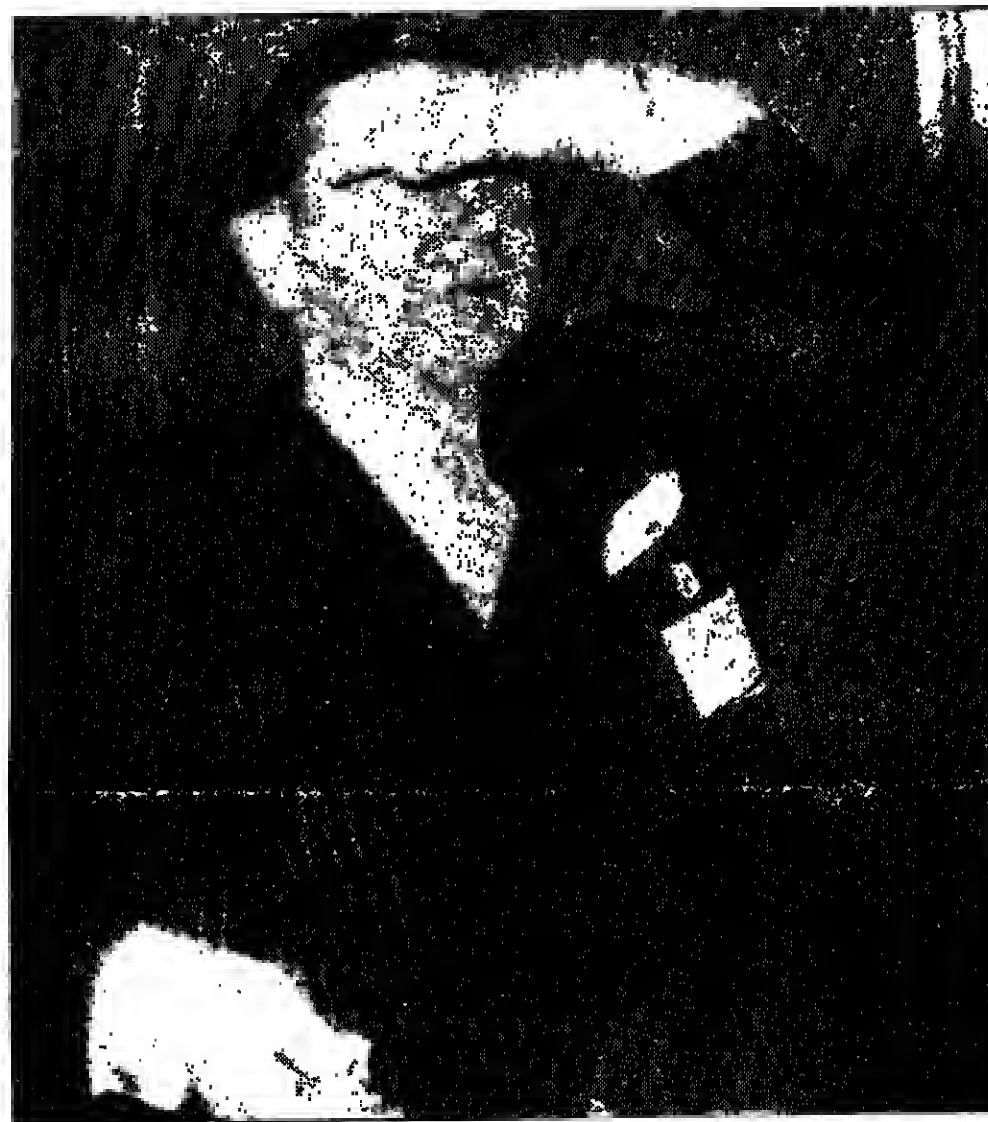
uncovered evidence that an Iranian diplomat stationed in West Germany, Seyed Kharim Ali Sobhani, arranged three shipments, in 1987 and 1988, of chemicals needed to make mustard gas.

Previously undisclosed court documents show that Mr. Sobhani directed a West German company, Chemco GmbH, to buy the chemicals from Alcolac International of Baltimore. The shipments were routed through companies in Greece and Singapore to conceal their true destination.

A spokesman for the Iranian Embassy in Bonn said Mr. Sobhani was on vacation in Iran and could not be reached. The embassy would not discuss his activities.

Chemco representatives declined comment, and officials at Alcolac said the chemicals had been sent to Iran without their knowledge. Under U.S. law, export of the chemicals involved requires a license, and

See GAS, Page 6



The U.S. secretary of defense-designate, John G. Tower, shielding his eyes against camera lights on Sunday in Munich at the start of a meeting on North Atlantic Treaty Organization military affairs.

Allies Pressed By Tower U.S. Asks NATO To Stretch Range Of Security Aid

By Robert J. McCartney Washington Post Service

MUNICH — The U.S. defense secretary-designate, John G. Tower, urged the allies on Sunday to provide more security assistance outside North Atlantic Treaty Organization territory and said modernization of short-range nuclear forces was "essential."

Mr. Tower, speaking at a NATO conference, also said the United States would continue to press its European allies to shoulder a greater share of NATO's common military burden. Mr. Tower rebuffed calls from some allies in some down such appeals, saying the Bush administration and Congress "would do so at our political peril."

In a separate development, a senior West German Foreign Ministry official said the Bonn government would investigate fresh reports published Sunday in The New York Times that Iran secretly enlisted West German companies to help expand production of poison gas.

The Foreign Ministry state minister, Helmut Schaefer, also said that he "couldn't imagine there were accusations that we didn't follow up" regarding the reported Iranian project. He said he had not been told about an assertion in the report that an Iranian diplomat based at Tehran's embassy in Bonn played an important role in the plant's construction.

The Bonn government is already embroiled in a dispute over its handling of earlier reports that West German companies helped build a chemical plant in Libya that Washington says could be used to manufacture poison gas.

The West German government has come under sharp attack from the United States, and from the domestic opposition and press, for what are said to be lax controls that may have permitted illegal exports of West German chemical arms technology to Iraq, Libya and now Iran.

Mr. Schaefer said he was sure the new report regarding Iran "will be thoroughly investigated," and added, "We have to stop this business."

"German industry is deeply embarrassed by some of these black sheep," he said.

The West German Chemical Industry Association has suspended from membership Imhausen-Chemie GmbH, of Lahar, one of the West German companies implicated in the building of the Libyan chemical plant.

"We must prosecute in the future" See TOWER, Page 6

Economists See Glimmer of Golden Age

By Reginald Dale International Herald Tribune

DAVOS, Switzerland — Is the world poised on the threshold of a brave new era of economic growth after two decades of stagnation or was the boom of 1988 merely a bright blip in a slowing trend?

Some economists, such as Lester C. Thurow of the Massachusetts Institute of Technology, attribute last year's surge of expansion to "the grand, glorious good luck" of the stock market collapse of October 1987, which panicked govern-

ments worldwide into a once-only boost to their economies.

A growing number of Mr. Thurow's colleagues, however, now believe that conditions are ripe for a return to growth rates approaching those of the "golden age" of the 1950s and 1960s.

After expanding by 6 percent a year in the 1960s, the world economy slowed to 3 percent growth in the 1970s and 2 percent in the 1980s.

It was the latter, gloomy scenario that overwhelmingly found favor at this year's annual gathering of the

International Political and business elite at the Davos World Economic Forum.

"We're entering a new phase of long-term growth in output after two decades of stagnation," Raymond Barre, the former prime minister of France, said in this Swiss ski resort on Sunday.

Mr. Barre, a former professor of economics, was reporting on the conclusions of two days of private talks among a 60-strong inner circle of delegates attending the week-long Davos meeting, one of the

world's leading business conferences.

The optimism is not unclouded with caution. Many delegates here believe the world's economic imbalances are far from corrected and that the prospect of major trade tensions remains strong.

There is no clear consensus as to the future direction of the dollar. And there are fears, despite the protestations of American representatives to the contrary, that the Bush administration may not get a

See DAVOS, Page 6

A Glasnost Statistic: 20% Live in Poverty

By Esther B. Fein New York Times Service

MOSCOW — Valeriya Ionava struggles privately in her Moscow apartment to live on a monthly pension of less than \$60. Yelena Smolnikova has to skip meals so that her meager income can be stretched in buy clothes for her children.

In the Soviet Union, the plight of poor people like Mrs. Ionava and Mrs. Smolnikova is mostly unseen, although occasionally, in underpasses or entrances to subway stations, beggars meekly push forward cupped hands.

But the Soviet authorities, who once denied that poverty existed in their country and pronounced it an evil of capitalism, now say that tens of millions of citizens — at least 20 percent of the population — live in poverty, compared with about 14 percent in the United States.

Their condition has drawn a remarkable amount of attention in the Soviet press in the last year, with frequent letters from poor people bemoaning their misfortune and articles by economists and sociologists blaming the government for neglecting the problem.

"Poverty is a reality, our national tragedy," the newspaper Komsomolskaya Pravda said recently.

Officially, the poverty level in the Soviet Union for an urban family of four is 205.6 rubles a month (\$339.24 at the official exchange rate of 1.65 to the ruble). This is about \$1 ruble, or \$85, a person.

But Soviet authorities and scholars readily admit that the figure, calculated in the 1960s, is outdated. Most agree that 75 rubles a month per person are necessary for what the government calls "minimum material security."

From four to five million Soviet families fall below the for-

mal poverty level, according to Soviet officials, and a full 20 percent of the population lives on less than 75 rubles a month.

"More than 75 million people are living in families with incomes less than 75 rubles a month per person," said Leonid E. Kuznetsov, chief of the economics department at the State Committee on Labor and Social

Issues. "We have to do something to help these people."

But there is no state plan for dealing with poverty, several Soviet officials said in interviews, and there is no government agency to which people in need can turn.

Soviet officials refer to these people as living in a state of "underprovisioning," but the euphemism does not conceal that they are, in fact, poor.

"I am not underprovided for — I am not provided for at all," said Yelena Karpova, 40, who was interviewed at the Lenin-gradsky train station in Moscow where she was spending the night.

Miss Karpova said she was homeless and jobless and wandered Moscow's train stations for shelter.

"I would ask for help," she said. "I have lost my pride. But there is nobody to ask."

Y. Stakhovskiy, an electrician from Dnepropetrovsk in the Ukraine, is homeless and lives in a collector, a pipe for warming roads in winter.

"It's three years now that I've

See POOR, Page 6

Kiosk

Coalition Loses In West Berlin

BERLIN (Reuters) — The ruling center-right coalition in West Germany suffered a heavy defeat in West Berlin local elections on Sunday, and an extreme rightist party led by a former Nazi SS officer gained a city parliamentary seat for the first time.

In an unexpected result, the Christian Democrats lost nearly 10 percentage points, to 36.9 percent, while the opposition Social Democrats increased their support, to 37 percent. The coalition partner, the Free Democrats, appeared to lose their representation.

MONDAY Q&A



Former President Valéry Giscard d'Estaing of France, who said the Soviet economic restructuring was not yet working. Page 2.

General News

Rival factions hinder progress toward a political solution in Cambodia. Page 2.

Business/Finance

Bond Corp. rejected an offer for its Hong Kong subsidiary, Bond International. Page 7.

Weather

Crossword



TIES GO TO THE RUNNER-UP — Gerahline Friedman, astrape with the 25 neckties that were her composite prize, models the second-place winner in an "ugliest tie in America" competition sponsored by the Italian Trade Commission in New York.

AMERICAN TOPICS

Did Quayle Start Term As Acting President?

Was Dan Quayle the acting president of the United States for three minutes on Jan. 20? The New York Times says some authorities contend that he was, citing the constitutional provision that a new president must take the oath before he can assume the office.

At the inaugural, Mr. Quayle, having already been sworn in as vice president, automatically assumed that office when George Bush's term expired at noon. But the program was behind schedule, and Mr. Bush did not finish his presidential oath until just after 12:03 P.M. The U.S. Constitution says that if no president has taken office "by the time fixed for the beginning of his term" then "the vice-president elect shall act as president until a president shall have qualified."

Other authorities maintain that, oath or no

oath, a new president takes office automatically at noon. The Senate Historian's office calls it "one of those ambiguous questions that's never been answered."

The question is not new. When President William Henry Harrison died in office April 4, 1841, his vice president, John Tyler, did not take the oath until April 6 because the intervening day was a Sunday. Senator David R. Atchison of Missouri, next in line at the time as president pro tem of the Senate, insisted for the rest of his life that he had been president for a day.

Notes About People

Ronald Reagan's new home is at the "lower end" of the scale in the exclusive Los Angeles neighborhood of Bel Air, according to Jeff Hyland, a real estate broker who lives just up the street. A group of friends bought the house for the Reagans in 1986 for \$2.5 million. Mr. Hyland estimated that it would sell today for nearly \$5 million. But of the two houses on either side, one cost cost \$13.5 million in 1986 and the other \$14.5 million.

Mayor Henry Cisneros of San Antonio says he may reverse his decision to leave politics when his term expires in May. Soon

after Mr. Cisneros announced in September that he would not seek re-election because his infant son was ill, he confirmed that his marriage was faltering and that he had been having an affair. Now he says he will not decide on running until he has conferred with Lila Cockrell, a former mayor who announced her candidacy after Mr. Cisneros withdrew. Those close to Ms. Cockrell say she is furious. Her campaign is under way. She has raised \$40,000 and curtailed her working time at her travel agency. She said she would withhold comment until after talking things over with Mr. Cisneros.

Short Take

Celebrity prisoners, so well known as to be in danger of attack or potential causes of disturbance if housed with other inmates, are held in a 13-cell unit at the New York City jail on Rikers Island.

City corrections officials call it protective custody for prisoners they deem "notorious." Those jailed in the ward have included Bernard Goetz, the "subway vigilante," and David Berkowitz, the "Son of Sam" killer.

Arthur Higbee

Iran Seeks A Concrete U.S. Gesture

By Patrick E. Tyler

WASHINGTON — A senior Iranian official has called on the Bush administration to initiate its "good will" policy toward Iran by paying at least token compensation to families whose relatives were killed on the Iranian passenger plane shot down by the U.S. Navy last summer, or by releasing some undeposited Iranian assets.

In remarks clearly intended to influence the Bush administration's policy toward Iran, the official, Mohammad Javad Larjani, deputy foreign minister for European and American affairs, said in a weekend interview that "it doesn't have to be that much money, but it is a symbolic act which helps America get a better image inside our country."

Mr. Larjani said Iran had recently "upgraded to the highest level" relations with the Soviet Union, and he suggested that improvement was sought with the United States.

"If someone wants to deal with us on the basis of mutual interest, mutual respect and noninterference, then we are definitely ready to deal with that country," he said.

Providing the first detailed description of the steps Iran would like to see before considering a thaw in U.S.-Iranian relations, Mr. Larjani suggested that the Claims Tribunal at The Hague was not the only forum in which the two countries could discuss the quick return of undisputed assets.

"There are contracts that are in dispute," he said, referring to the litigation between Iranian and U.S. companies that must be resolved by the tribunal.

"We could discuss those issues, and The Hague could go its own way," Mr. Larjani said.

Discussing the status of the U.S. offer to compensate the families of 295 Iranian civilians killed in July when the guided missile cruiser Vincennes mistook their Airbus for an Iranian F-14 warplane, Mr. Larjani said, "I don't think the United States has shown any serious attempt to compensate" the families of the victims.

The interview took place a day after the Iranian president, Ali Khamenei, criticized President George Bush for trying to put "conditions" on the resumption of U.S.-Iranian relations by seeking Iranian assistance in the release of nine U.S. hostages in Lebanon.

Mr. Larjani, an outspoken advocate for ending Iran's isolation, praised remarks Mr. Bush made on Friday about Iran's lack of control over the Moslem extremist groups holding the U.S. hostages.

"You can count on us to try," Mr. Larjani said, "but what conclusion it will come to, we cannot guarantee — it is not up to us."

Latin Immigrants to U.S. Are Straining Services

By Lisa Belkin

HOUSTON — The latest wave of Latin American immigrants now flooding Texas, California and Florida includes an increasing proportion of women and children, a development that is already beginning to strain housing, education and social services in some cities.

"Mothers with children have different needs than young single men," said Nestor Rodriguez, a professor of sociology at the University of Houston and a participant in a Ford Foundation study on the effects of immigration.

Although a few cities have devel-

oped programs in recent months to address the needs of these new immigrants, most are just beginning to realize they have a problem.

"They are at the point where they might see the need for action but not yet at the point where they know the best way to act," Mr. Rodriguez said.

He and others said women and young children had been crossing into the United States in large numbers since the 1970s, most of them illegally. But there have always been more men than women, they said, and it was common for women who did immigrate to leave their children behind and send for them later.

In the last year or so, however, "it has become a 50-50 split," said Ray Rodriguez, director of legalization for Centro Aztlan, a social service agency established in 1973 to help Hispanic immigrants.

"In the late 70s, early 80s you had a mass migration of young single males," he said. "Now it's pretty even, and in the next year we expect more females than males."

Those who work with the immigrants say the reasons women are coming in greater numbers have to do with the recent overhaul of U.S. immigration law and changes in the immigrants' native lands.

There are no clear statistics to illustrate the new trend. Because most immigrants enter the country illegally, the Immigration and Naturalization Service does not have data comparing the numbers of men and women, according to a spokesman for the service in Dallas.

The agency does keep track of aliens caught and detained by the border patrol, he said, but their

numbers have been broken down by sex only for the last 18 months and do not reflect the entire picture.

But even without formal data, many who encounter the refugees daily have come to the same conclusion as Ray Rodriguez.

"You just look and it stands out," said Paula Gomez, executive director of the community health center in Brownsville, Texas, the city through which many Central Americans enter the United States.

"There are a lot more families," she said, "a lot more children traveling and a lot more family units walking along the road. There are a lot more kids who are alone, and more and more are being found abandoned. Someone will have to take care of them."

Perhaps the most commonly cited reason for the demographic shift is "chain migration," in which one family member leaves for another country, spends several years getting settled, then sends for the rest of the family.

"This is to be expected in any migration," said Aurora Camacho de Schmidt, a spokeswoman for the American Friends Service Committee in Philadelphia, who has studied the effects of immigration laws on women. "We're just beginning to see the effects here."

That process was accelerated by the 1986 law that granted amnesty to illegal aliens who could prove they had lived in the United States since before 1982. The law turned many illegal residents into legal residents with the right to apply to have their family members join them.

"Amnesty has exacerbated the flow of nonworking dependents," said Patrick Burns, assistant director of the Federation for American Immigration Reform, which lobbied against the amnesty provision.

"Now that we've given them legal residence, families want to come here legally," he said. "The hubby has gotten amnesty, and he sends for the wife and kids."

U.S. Deaths May Lead To Bans on Gun Sales

By Robert Reinhold

LOS ANGELES — A gunman's rampage in a schoolyard in Stockton, California, and a series of gang killings have increased the chances for passage of laws banning public sale of military rifles.

Bills to outlaw the manufacture, sale or possession of a variety of rifles and pistols are to be introduced on Monday in both houses of the California Legislature.

Similar legislation was introduced in the U.S. Congress on Tuesday by Senator Howard M. Metzenbaum, Democrat of Ohio. Bills to tighten controls on gun sales are pending in 27 states.

After a succession of victories in statehouses and Congress, opponents of gun control find themselves on the defensive.

Not everyone agrees that rifles like the AK-47 are inherently more dangerous than hunting weapons. But gun-control advocates, including many police groups, point out that the military rifles are designed for close, rapid-fire combat and have no purpose other than to kill people.

It was a Chinese-made AK-47 rifle with which Patrick Edward Purdy killed five children and wounded 29 others and a teacher in Stockton on Jan. 17.

Mr. Purdy bought the gun in a sporting goods store in Oregon, which, like most states and the federal government, has virtually no restrictions on the sale of such weapons to adults.

"Right now, the sheer horror and momentum is driving many in the senate and assembly to rethink their positions," said Mike Roos, Democrat of Los Angeles, who is speaker pro tem

of the California Assembly. A Los Angeles City Councilman, Nate Holden, who is running for mayor, announced Tuesday that he would buy semiautomatic assault rifles for up to \$300 to get them out of circulation, using \$50,000 from a campaign fund.

He got two takers on the first day, including a 16-year-old boy who said his brother gave him an AK-47 rifle for Christmas. By Friday, Mr. Holden said he had received 50 rifles.

Gun dealers say the possibility of a quick ban has led to a run on AK-47s, Uzis and similar weapons.

"I am having trouble finding inventory to meet demand," said Al Campbell, manager of Western Surplus Guns in south-central Los Angeles, a center of gang activity. Mr. Campbell said he favored some controls, like a waiting period on sales, but not an outright ban.

On Friday, six leading California law-enforcement officials met with the state attorney general, John K. Van de Kamp, and legislative leaders to work on the language of the bills to ban the weapons.

They say the most difficult problem is defining the difference between military and hunting weapons.

To minimize opposition from rural legislators and sporting groups, they are considering an exemption from the ban for semiautomatic weapons clearly not meant for combat.

But focus of controls, including the National Rifle Association, say such distinctions are illusory. "It's called an assault weapon by people who want to ban it, a rifle by those who don't," said David W. Conover, an association lobbyist in Washington.

Panama Denies Any 'Abnormality' in Bank

Washington Post Service

MEXICO CITY — Panama's government-controlled National Banking Commission has denied that there was anything "abnormal or strange" about the opening last week in Panama City of a new military-run bank that lists Panama's leader, General Manuel Antonio Noriega, as its president.

The denial, referred to in an article in The Washington Post on Saturday (International Herald Tribune,

Jan. 28-29) that quoted U.S. and Panamanian officials as saying that the new bank, called the Banco Institucional Patria, or Institutional Bank of the Fatherland, represented a move to expand military control over the Panamanian economy and, possibly, corner a revived drug-money laundering market.

A separate denial was issued in the name of the Panama Defense Forces. Neither statement addressed details of the Post report

about growing military control over the economy and renewed money-laundering activities in Panama.

According to a top Panamanian banker, the Noriega-controlled government is especially sensitive about reports on its financial activities because of an expected visit to Panama by representatives of the World Bank, who are to meet with government officials to review the country's economic situation.

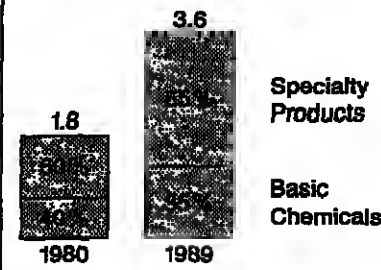
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PHILIPPINE EMBASSY
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Shibuya-ku, Tokyo 150
Tel. No. (03) 461-3257
Attn: Mr. Delfin L. Maruyana

NISHIMURA & SANADA
Suite, 412, Kasumigaseki Bldg.
2-5, Kasumigaseki 3-chome
Chiyoda-ku, Tokyo 100
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Attn: Mr. Motohiko Aiba

A non-refundable application administrative fee of TWO HUNDRED FIFTY THOUSAND YEN (¥250,000) will be charged for each set of "Purchase Offer Submission Requirements" which shall provide details of the bidding procedures, bidding conditions and other detailed information.

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Published With The New York Times and The Washington Post

No More Khmer Rouge

Americans agree on two goals in Cambodia. First, Vietnam should end its occupation and let Cambodians choose their own government. Second, no solution is morally tolerable if it permits a return to power by Pol Pot and the mass murderers of the Khmer Rouge. Now a whirl of diplomacy has brought the first goal in sight. There is no worthy challenge for the new Bush administration than to make sure that the Khmer Rouge gets no chance to wreak new horrors on a shattered nation.

War weariness, changing geopolitics and a desire for regional commerce have combined to dissolve Southeast Asia's bitterest enmities. Signs now point to a deal in which Vietnam would withdraw its troops from Cambodia by fall and China would simultaneously cease aid to the Khmer Rouge. It is in this context that a ranking Hanoi negotiator recently visited Beijing and that Hun Sen, Cambodia's Vietnamese-backed leader, last week traveled to Bangkok.

Yet lamentably missing is evidence of real concern among outside negotiators for the fate of Cambodia's people. Energetic American diplomacy is needed. The Soviet Union is pressuring Vietnam to withdraw from Cambodia, thereby enabling Moscow to improve ties with Beijing. A straitened Vietnam wants to wind up a costly war that has deprived it of trade with thriving neighbors. Thailand is eager to shed the burden of Cambodian refugees, camps and revive regional commerce. So all parties are moving toward an accord establishing an interim regime, with some kind of international

body to monitor withdrawal and transition. But none of these actors seems overly concerned about the wishes and interests of Cambodians. That is one reason for last week's protest by Cambodia's former chief of state, Prince Norodom Sihanouk, that he would not swallow whole a peace plan concocted by Hanoi's client regime. Since the prince is everybody's choice to head an interim government, he has some leverage. The trick is to help him while keeping from power the Khmer Rouge's 40,000 well-armed guerrillas, by far the strongest indigenous military force.

In the rush to reconcile different outside needs, various formulas are thrown up that collapse on scrutiny. For example, it is conveniently argued that young Khmer Rouge leaders, supposedly untainted by Pol Pot, would be acceptable in an interim coalition. More likely they would be stand-ins for the old clique thirsting for vengeance in new killing fields. The Khmer Rouge's genocidal atrocities between 1975 and 1978 are a matter of grisly record. It tears at any sense of decency to condone giving Pol Pot's guerrillas any share of power.

The U.S. Congress so expressed itself, unanimously. So did Ronald Reagan. It would be timely and right for George Bush to appoint a top diplomat to work to prevent another Khmer Rouge crime against humanity. Outside, including the United States, share blame for Pol Pot's accession to power in 1975. The world cannot plead ignorance if it negligently allows a recurrence.

—THE NEW YORK TIMES

The Message to Tehran

President George Bush sent Iran a message on the hostages in his inaugural address, and he repeated it in his news conference Friday morning. Help in returning the nine Americans believed held by Iran's clients in Lebanon "will be long remembered," he said. "Good will beget good will." He held out the prospect of returning to the "excellent relations" that the two countries enjoyed before Islamic revolution swept out the American-supported Shah 10 years ago.

Is Iran listening? A state-owned newspaper in Tehran promptly said a few mildly upbeat words about relations with the new American administration. Among at least some people in Iran, there is evidently a tendency to consolidate the cease-fire in the Iran-Iraq war and to re-establish the sort of relations with other countries that will serve national recovery and security. Others, however, seem more concerned with deepening the revolution, or whatever it is that the Iranian president has in mind when he said to Mr. Bush on Friday, "Stop being oppressive, stop your arrogant actions, discontinue the transgressions against the rights of the Iranian people, and return what you owe us" — the last being an apparent reference to frozen Iranian assets.

Mr. Bush responded by again asking Iran to bring its influence to bear in Lebanon.

It is possible that the hostages are caught in a political vise that will loosen only as the struggle over the succession to Ayatollah Ruhollah Khomeini is resolved. The revolutionary regime, having failed to win its stated objectives in its war with Iraq, has continued its symbolic, perhaps compensatory investment in Lebanon's wars. This is how Iran comes to conduct a policy — support for the terrorist faction thought to hold the hostages — that cuts across its more important national interests, as conventionally defined.

Mr. Bush, however, is keeping his eye on the hostages. It is out of the question to bargain for people whose abduction was and is a flagrant outrage. Especially is this so after the bad faith shown by Iranians in the Reagan administration's disastrous arms-for-hostages transactions. But it is appropriate for him to make plain that the United States will respond positively to the hostages' safe and early release. This much should be evident to any clear-eyed Iranian observer of the American scene. On the issue of the hostages, President Bush speaks for a country which supports him completely.

—THE WASHINGTON POST

No Crisis on the Border

There has been much talk in recent weeks about the continuing influx of illegal aliens into the United States and what should be done about them. The governor of Florida wants federal assistance to cope with large numbers of Nicaraguans seeking asylum; Texas and Southern California complain about strained social service budgets and increased competition for jobs. And at least one citizens' group has called for a massive reinforcement of the southern border, complete with concrete walls. Is there a crisis, and is drastic action needed, even if it conflicts with the country's image as a haven for refugees and a land of opportunity for immigrants?

The truth is far less grim. The number of undocumented people entering the United States has gone down since the passage of immigration reform legislation in 1986. That law imposed sanctions on employers who hire illegal aliens. And because there is now less certainty about finding a job, fewer are entering illegally. No one has an exact figure on those who sneak across the border, but estimates are made based on the number of people apprehended by the Immigration and Naturalization Service. In 1986 that number was 1.6 million; in 1987 it fell to 1.1 million; last year it was 920,000. That same law also authorized greatly increased funding for the Border Patrol,

which by the end of this year will have more than doubled its size since 1983.

Are good fences needed? Of course, and some are already there, put in place by the Carter administration. Ninety percent of all illegal immigrants come across 200 miles (320 kilometers) of the Mexican border. The other 1,800 miles are along desolate territory far from roads and towns. Half the aliens enter via San Diego, Brownsville and El Paso. If it is necessary to repair, reinforce or extend fences in these discrete areas in order to better control the border, that should be done. At the same time, it is important to discourage a fortress mentality or an impression that Americans seek not a secure border but a closed one.

The country now accepts more than twice as many legal immigrants as the rest of the world combined. In addition, hundreds of thousands of refugees are welcomed for permanent settlement every year. These are facts to be proud of. The nation was built by immigrants, and they continue to enrich American life. Providing for an orderly admissions process is not only required by the law, it is the only way to proceed which is fair to the millions who are patiently waiting for legal entry. For them, the United States must take care to protect the reality, and even the symbolism, of a welcoming, open door.

—THE WASHINGTON POST

Other Comment

An Environmental Priority

In their struggle to survive, the growing number of rural poor may eventually destroy their natural environment. They are caught in a self-destructive trap in which their immediate survival often depends on overexploitation of fragile lands. The poorest of the rural poor are being forced up mountainsides, into jungles or to deserts to eke out their existence as best they can.

Population growth, past development strategies, increasing debt, declining terms of trade and natural disasters are leading to the overuse of productive soils, forests and waters. GATT, the World Bank and other international and regional bodies are trying to relieve some of the pressure through a more balanced trading system and debt reduction. Other organizations, like the International Fund for Agricultural Development, are

meeting the challenge in the field by getting the rural poor involved and committed to their own development. This grass-roots approach is based on field evidence that the rural poor prefer to participate in their own sustained economic growth rather than receive short-term handouts.

Poverty is both a cause and an effect of environmental destruction. By starting with the principle of self-reliance and by drawing on existing local resources and capacities, external assistance can stimulate the creativity of the poor and thus serve as a catalyst for self-supporting and sustained development.

Eradicating rural poverty, which affects more than 1 billion of the world's population, is the most direct way to ensure environmentally sound development.

—Lidia Jaczay, president of the International Fund for Agricultural Development, writing in the Los Angeles Times.

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OPINION

Revolution Isn't the Way to Change Things

By Flora Lewis

PARIS — The French have launched a year-long celebration of their revolution's bicentennial. It comes when the worth of revolution was never more in question. In 1789 and after, they gave at least as many examples of the lasting damage and distress it causes as of the flowering of ideals it can release.

Wisely, the French are emphasizing the Declaration of the Rights of Man, on Aug. 26, 1789, and not the murderous passions of the times. Indeed, it is only recently that the profound divide in French society has been narrowed.

There is irony in the French conviction that the revolution marked an enduring victory over tyranny. Eleven years after the king was beheaded in 1793, a new crown was placed on the head of an emperor in 1804.

In the 200 years since the fall of the Bastille, France had three kings and two emperors. It has been a republic for only 120 of those years, and many of the French still say with a wry chuckle, "At heart, we're monarchists." But there are still many people, in many countries, for whom the word revolution has a noble, almost sacred ring. They look at the aspirations, seldom at the results.

In this context some French scholars deny that the American War of Independence was a revolution. It did ensure the ideas of liberty and justice, but it did not turn the whole society upside down as the Russian and Chinese revolutions tried to do. And therefore it did not leave the wreckage of those vast social upheavals.

Awareness of that self-inflicted wreckage is beginning to spread now, toward the end of our

revolutionary century. The word may still be revered but belief that it can deliver the promised land on earth has ebbed, not only in the Soviet Union, Eastern Europe and China but also in Third World countries like Algeria, Mozambique, Burma and others with failed experiments.

It has been demonstrated again and again that not only are the ends corrupted by the times, but noble ends justify all means, but the dynamic of revolution brings bad government. The violence and authoritarianism needed to bring revolt to success reproduces itself in the new regime, sometimes much worse than before, as Iou has shown.

The kind of people who emerge as compelling leaders are seldom the kind of people who are willing and able to manage a decent government and practice the inspiring visions that they preach. The old Communist slogan justifying terror — there is no birth without labor pains — has a hidden double meaning. The greater the pain caused in the name of bringing forth a new society, the longer and harder the healing.

Winston Churchill was right about the shortcomings of democracy, but it is more than just better than all the other systems. Its greatest virtue is its capacity to correct mistakes without a new revolution. It can adjust to needed change, as there are always new problems, new circumstances that have to be accommodated.

By its modest and generous nature, democracy avoids the self-destructive illusion that anybody

can have the permanent and absolute solution to society's ills. We have a tendency to use the word revolution lightly. We shouldn't; the all-important difference isn't in whether or not change comes, it always does, but in how it is achieved.

There can be a deceptive stability in a frozen system, until it breaks down. Real stability comes only with suppleness and flexibility, the capacity to perceive shifting needs and bend to them. That is not the legacy of romantic revolution but of tedious reform.

There seem to be cycles in human affairs. The world is now emerging from a period of ideological righteousness in favor of practical, pragmatic efforts, identifying troubles and looking for things to do about them. Much of this century was mesmerized, and devastated, by grand designs, great leaps forward.

But we should not suppose that the current cycle will endure on its own momentum. There are likely to be new impulses for dramatic visions. It is a basic human yearning. Each generation tends to feel that its predecessors got things all wrong, to be impatient. And there are always politicians who are better at arousing people, stirring emotions, than at governing, and who seek prominence by what they do best.

Radicals can come as reactionaries or revolutionaries, but they do come, and find their audiences. So the task of rationalists and responsible people is to guide change step by step, to prevent the accumulation of frustration and despair which lead to revolutionary disaster.

The New York Times

Bush Can Go Back To Basics

By Stephen S. Rosenfeld

WASHINGTON — George Bush, more than any other president of the last generation, has the opportunity to go back to fundamentals on the big issues facing the security and especially the nuclear security of the United States.

As a result of history — Ronald Reagan's presidency and the two great powers are lower than they have been since World War II — this president Mr. Bush's policy review will go forward at all deliberate speed and in an atmosphere relatively free of fear, nuclear, internal conflict and external crisis. Events are not heading him.

Mr. Gorbachev may not enjoy the same ease of movement, but at least for the short term he has a mandate to explore a new policy, and is doing so energetically. A relationship significantly different from any that the two countries have had in the last 40 years, perhaps in the last 70, becomes conceivable. It is in Mr. Bush's and Mr. Gorbachev's hands — not all or only in their hands, but considerably so.

There is what I would call a useful measure of economic and social pressure falling on both sides — enough to help keep them honest. That there is much more pressure on the Kremlin, which is going through what deserves to be called a systemic crisis, can only be considered just and comforting. The extra pressure on the Soviets tends to compensate for their not having a responsive democratic structure. Mr. Gorbachev has just said he is cutting military spending by 14.2 percent — three times the percentage cut that Reagan-Romney would make in American military spending in the next year.

The squeeze in the United States hardly rises to the same crisis level, decreasing as it is to those caught up daily in it. The American economy is at least twice the size of the Soviet and devotes less than half the percentage of GNP to defense. Still, it is taking a struggle just to hold military spending even. I would say that the overall situation favors clear thinking: being actually rich enough to afford whatever level of defense America might feel it needs, but feeling constrained enough to accept an uncharacteristic degree of discipline in policy and priorities.

In both countries, although demonstrably more so in the United States, there is a disposition to rethink the nuclear doctrines of the past. I refer to the debate which Mr. Reagan thrust into high gear by his Strategic Defense Initiative. Until then, deterrence, entailing the threat of mutual destruction, dominated U.S. thinking. Since then the theory of defense has been getting a gradual but more respectful hearing even at Mr. Reagan's own ambitious particular vision of defense, "star wars," based political attitude in Washington and starts to appear as less probable and less menacing in Moscow, too.

On defense, I am among the curious — the people whose principal effort is to grasp the still unfolding argument better. George Shultz said something sensible, I thought, when he said nuclear deterrence is essential but not written in stone, what with the emergence of other threatening weapons and "a growing sense of unease with nuclear weapons" — Chernobyl, Savannah River and the like. No Reagan on this matter, Mr. Bush appears to stand close to the curious, too.

By startling coincidence, the United States has stopped making nuclear bombs — because of safety and environmental concerns at the production facilities that just happened to ripen on Ronald Reagan's watch. To the people responsible for the bombs, this is an embarrassment that must be expeditiously repaired, notwithstanding the huge costs (up to \$100 billion) of the required cleanup and replacement. The bomb-makers are right, too. As long as America depends on a fission, it needs bombs, and they ought to be the right ones.

Understandably jittery on this score, the new administration has yet to acknowledge that this shocking Energy Department scandal offers a tremendous opportunity. What sort of weapons and what sort of production facilities does the United States need in a world in which the prospects are warning for large negotiated reductions in strategic arms and for other steps in arms control? The first time America built these facilities it did so in conditions of war, secrecy and strongly felt national urgency. Now, although it may scarcely deserve it, it gets a second chance — this could be the theme of Mr. Bush's policy, if he does it right.

The Washington Post

100, 75 AND 50 YEARS AGO

1889: Africa's Red Cross

PARIS — The King of the Belgians has organized a vast Red Cross Association for Africa. The object of the Association is to establish at healthy points of the continent sanitary stations where explorers, savants, Europeans and natives who are ill, wounded, or otherwise in need of assistance, can be taken in and cared for, and also whence aid can be sent out to any points of the Africa continent where wars or massacres may occur.

1914: Japan and Mexico

WASHINGTON — In an informal conversation with correspondents, President Woodrow Wilson has denied the reports as to the Japanese Government selling arms to General Victoriano Huerta of Mexico, and explained that under the law of nations there was nothing to prevent Japanese contractors from selling arms to General Huerta or anyone else with money to pay for them.

1939: W. B. Yeats Dies

MENTON — William Butler Yeats, considered by many as the greatest of modern lyric poets, died here today (Jan. 29). He was seventy-three years old. The poet, awarded the Nobel Prize for Literature in 1923, was one of the important figures in the Irish nationalist movement and had a major part in the Irish literary renaissance of the 1920s. With his flowing hair and his broad-brimmed hat and his self-conscious poetic mannerisms, Yeats grew old gracefully, seeing his fame rise each year. He was essentially a dreamer. An avowed believer in fairies, he held forth in his London room on faeries and magic. Rich in music and meaning, and symbolic of the Irish ideals of love, patriotism and death — of pure emotion, flowing from the heart rather than the mind — his poems seemed to have an authentic ring in which beauty, magic and the realization of emotional fundamentals were built into the words.

Latin America: A Place for Washington to Discover

By William Pfaff

PARIS — The first problem Latin America presents to the Bush administration is identification of the true problem. The Reagan administration devoted itself to all the wrong problems, for which it paid a considerable price in American credibility and international respect. Can George Bush's people do better?

Ask the State Department specialists responsible for Latin America how they spent their time during the Reagan years, and they will answer that something like 80 percent of their energy was devoted to Nicaragua. Secretary of State James Baker not examined mostly on Nicaragua, El Salvador and Cuba during the questioning on Latin America at his confirmation hearing. Argentina, whose democratic government is under grave and growing challenge, was not a subject of notable interest.

El Salvador, Nicaragua and Cuba have for months, even years, dominated U.S. press discussion of Latin America. A crisis currently is predicted for El Salvador, where a presidential election takes place in March, with poor prospects for the U.S.-backed Christian Democrats. The left-wing guerrilla movement is hiding for a time and a role in the election.

But is crisis in El Salvador necessarily a U.S. crisis? Washington worries about Communists and death squads, matters of certain concern to the Salvadoreans, who must live with the consequences of their electoral and extra-electoral choices. But El Salvador's problems are not the fundamental problems of Latin America.

The Marxist of El Salvador's guerrillas, like that of the Sandinistas next door in Nicaragua, represents an ideological dead end for Latin America, just as Castroism does. Romantic middle-class Marxism is an outdated and increasingly irrelevant response to cultural and structural problems in Latin America. The ideologically unclassifiable, cult-like "Shining Path" in Peru is much more up to date, and a great deal more sinister. So are the drug barons feeding and fed by North American drug addiction.

Fundamentally, Latin America confronts the political consequences of its absolutist cultural inheritance, as well as an urgent economic crisis. The former issue is unresolvable, as such, being the historical condition with which Latin Americans live, but it needs to be confronted. The Latin

American intellectual and religious tradition is absolutist, intolerant, unpragmatic, a constant obstacle to compromise and political reforms.

The imperialism which populated and culturally shaped Latin American society, destroying the Indian civilizations already there, was particularly uncompromising, motivated by the search for gold and a search for souls Spain and Portugal themselves, at the peak of their powers in the 16th century, failed to make a creative adaptation to the modern world which followed. Their American colonies could do no better. The Enlightenment and the social revolutions of the 19th century passed them by. They walked themselves off from modernity, re-emerging only in the 1960s and 1970s.

The United States has refused to leave the region alone, even though unable to influence it to become something more congenial in Protestant and progressive North American eyes. Washington has really never known what it wanted of the Latin Americans. "I am going to teach the

South American republics to elect good men," said Woodrow Wilson in 1914. But who would have been these "good men," in Mr. Wilson's eyes?

Latin America's economic crisis follows in part from its inability to repay the debt enthusiastically pressed upon it during the 1970s, when American and West European banks needed to recycle the OPEC members' windfall dollars. Virtually no one today contests that the debt is unrepayable, but the Western countries insist on a mechanism to disguise this fact and avoid such hard words as default and bankruptcy.

The unrepayable loans are a problem for the banks which made the loans, certainly, and finding an adroit way to write off the money is important to the stability of the international banking system. But this is a trivial problem compared to that faced by economically failing societies which cannot repay past loans, yet which have to go on feeding people, investing to develop agriculture, investing to build the infrastructure

which makes future development imaginable. What do they do? There is no Baker plan to solve their problems.

In the West the tendency has been to shrug these considerations off as, generally, the Third World's worry, after all. Alternatively they are held to be problems so awful that nothing can be done about them. This might even work for Japan and the West Europeans, because they are real or virtual islands, cut off from the Third World. The United States is not so lucky in this respect, if luck is the word.

The United States has an unshutable land and sea border on Latin America. It simply cannot treat Latin American economies as a private-sector problem, or Latin American politics as an ideological or military problem. If Latin America's problems are not dealt with in Latin America, on realistic terms, then Latin Americans are going to come to the United States looking for their solutions. The United States is the rich country in a position to have the poverty-stricken of the world beating down its doors, looking for answers.

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United Nations Credibility Requires Human Rights

By Richard S. Williamson

For writer is U.S. assistant secretary of state for international organization affairs.

WASHINGTON — The United Nations Human Rights Commission opens its 44th session today in Geneva. Forty-three countries elected from all of the five UN regional groups to three-year terms compose the UNHRC. It is the focal point of the UN human rights agenda, which includes review of the situation in specific countries ranging from Chile to Afghanistan, and discussion of important thematic human rights questions such as torture, religious intolerance and abusive psychiatric practices.

According to the UN Charter, promotion and protection of human rights are a principal purpose of the United Nations, second only to the maintenance of peace.

In 1948, a committee formed by the General Assembly under the chairmanship of Eleanor Roosevelt drafted a document which has become known as the Universal Declaration of Human Rights. In many ways it resembles America's Declaration of Independence, in that it provides for the right of self-determination and the right of individuals to choose freely their form of government. It also reflects many of the values contained in the U.S. Bill of Rights, in that it sets forth fundamental rights to freedom of expression, assembly and worship.

The architects and founders of the United Nations recognized the intrinsic role that human rights play both in ensuring a peaceful world political order and in social and economic development. The frightful experience of World War II taught the statesman of the 1940s that governments which trample on the human rights of their citizens are prone to international aggression. Leaders of the free world understood from their own national experience that countries which protected individual rights and liberties enjoyed a much greater rate of economic growth and social stability than those which did not.

UN human rights activities during the 1960s and '70s gave rise to concern that instead of objectively applying

the standards set forth in the Universal Declaration, the UN majority sought to use human rights as another means of furthering political warfare.

In the United Nations during that period, there was a double standard which meant that if you were a politically well connected or powerful country you were virtually immune from scrutiny of your human rights practices, but if you were relatively weak or not very popular with the UN "establishment" you could very easily find yourself as a nation hauled before the "bar" of the UNHRC. Those circumstances made a mockery of the objective standards for measuring human rights performances contained in the Universal Declaration.

Notwithstanding the obvious bias in the handling of human rights issues by the United Nations in recent years, several countries have demonstrated a marked improvement in their record after UN scrutiny. In Latin America, Chile, Guatemala and El Salvador have brought about dramatic improvements in their human rights performance, thanks partly to advice and prodding from UN experts.

The major U.S. objection to the United Nations' handling of human rights has been that the major violators have too often avoided the spotlight glare of publicity that is the chief UN weapon in reducing human rights infractions by governments. Countries like Ethiopia, Vietnam, Romania and, until last year, Cuba had avoided being subjected to UN resolutions and investigations. This seriously undermined the Universal Declaration and international adherence to the norms for human rights that it contains.

Last year the United Nations reached a major watershed in international human rights when it decided to undertake an investigation into the human rights situation in Cuba,

including a visit by a UNHRC working group in September.

The UNHRC report is expected to indicate that the Cuban government does indeed deprive its citizens of most of the basic human rights contained in the Universal Declaration.

Despite many recent acts by Fidel Castro in response to the UNHRC spotlight — acts intended to influence world public opinion, including the release of some political prisoners (which he had hitherto denied holding), permitting visits by the Red Cross and representatives of the Catholic Church, and even the toleration of a small independent human rights group in Cuba — the overall situation remains grim, and what Mr. Castro has granted under duress in the recent past he can take away tomorrow. After the UNHRC team's visit, Mr. Castro renewed his campaign of intimidation against several members of the unofficial Cuban human rights committee.

The efficacy of the United Nations in bringing about improvements by governments in their human rights record clearly lies in continuing to shine the glare of unwanted publicity upon them. A crucial test for the UNHRC therefore will lie in whether it will continue its scrutiny of Cuba, as it has continued similar scrutiny of El Salvador, Chile and Guatemala, among other countries, over a period of years.

The handling of human rights is a crucial indicator of the overall effectiveness of the United Nations. Lacking armed might, its principal force is its moral authority. Thus it must abandon political expediency and cynicism in its treatment of issues which directly affect the lives of all people. It must demonstrate consistently an ability to face up to the grave and systematic abuses of fundamental human rights which far too many people face daily. In so doing, the United Nations will

become a true champion. UN human rights investigations already carried out have made the difference between life and death in many individual cases. The United Nations has the capacity to be the court of last resort for the countless individuals who have no hope of due process at the hands of their own government.

If the United Nations proves unable to act in this capacity, its credibility will be damaged, perhaps irretrievably. But by demonstrating that it can uphold universal human rights standards, it can build on the upsurge in its standing resulting from recent successes in helping to arrange the end to the brutal Soviet occupation of Afghanistan and the cessation of hostilities between Iran and Iraq.

International Herald Tribune

Pakistan May Lose Aid Over Bomb Issue

By David B. Ottaway
Washington Post Service

WASHINGTON — Before it left office, the Reagan administration told Congress that the United States was unlikely to be able to certify this year that Pakistan did not possess a nuclear bomb, according to congressional and administration sources.

Without such certification, required annually by law, Pakistan will not be eligible to receive U.S. economic and military aid beyond the current fiscal year, which ends Sept. 30.

The Reagan administration budget for fiscal year 1990 includes a request for \$2.1 billion in assistance to Pakistan, part of a \$4.02 billion, six-year aid package.

Congressional sources said that Reagan administration officials had told Congress privately that Pakistan was so close to building a bomb that "it had been a very close call" in renewing the certification in November.

One source said the Reagan administration "made the decision they're not going to be able to certify again."

"It's going to be a mess," the source added.

U.S. Checking Reports About Iraqi Bacteria

Washington Post Service

WASHINGTON — State Department officials are investigating congressional allegations that Iraq obtained from the United States a deadly bacteria that it may be using to develop biological weapons.

"People are concerned, interested and taking it very seriously," an official said. "It's just a matter of getting something to work with."

The State Department has been unable to confirm a charge by Senator John S. McCain 3d, Republican of Arizona, that a sample of tularemia, commonly known as "rabbit fever," was sent to Iraq.

Mr. McCain, in a Senate speech on Wednesday, said: "We know that Iraq has already misused international agreements to obtain tularemia virus from the U.S. We have every reason to assume that Iraq may soon weaponize two of the three most lethal biotoxins — anthrax and tularemia."

In a letter to Secretary of State James A. Baker 3d, Mr. McCain

outlined the charges and the evidence he has to substantiate them, according to Mr. McCain's office. But Mr. McCain has refused to divulge any evidence publicly.

A State Department official said Friday that Iraq might have obtained the tularemia bacteria from a U.S. culture collection center before export licenses were imposed 10 years ago on bacteria, fungi and protozoa. "It could have happened a long time ago, and it would have been perfectly legal," he said.

The Export Control Administration of the Commerce Department is investigating whether licenses were granted for the export of tularemia.

Another possibility, the State Department official said, is that a sample of tularemia was shipped from a U.S. culture collection center to a European laboratory from which Iraq could have obtained it. He said there were many medical research centers in Europe that shipped samples of bacteria with little control over where they were destined.

It was not known whether the new Bush administration would accept the Reagan administration's conclusion about Pakistan's nuclear capabilities.

Congress has been reluctant to cut off assistance to Pakistan because of its role as a conduit for U.S. aid to the anti-Communist rebels fighting Soviet forces in Afghanistan. But with the Soviet withdrawal now moving toward its final phase, the strategic importance of Pakistan may weigh less in congressional calculations.

Prime Minister Benazir Bhutto of Pakistan assured a visiting congressional delegation on Jan. 15 that the Pakistani nuclear program was "solely for peaceful purposes and the world must believe in the words of a democratic government," according to Pakistan television. The delegation was led by Representative Stephen J. Solarz, Democrat of New York.

Although President Ronald Reagan sent a letter to Congress in November certifying that Pakistan does not possess a nuclear explosive device, he indicated the administration was coming close to its limits of being able to continue making the certification.

West German Evidence

A West German prosecutor says Pakistan has acquired from a West German company a plant for purifying a gas that can be used in nuclear weapons. The New York Times reported from Washington.

The disclosure came in testimony in Bonn by Alfred Farwick, a prosecutor for the state of Hesse.

Mr. Farwick told a special investigative committee of the legislature that a German company, Neue Technologie GmbH, used a front company to send components of the plant to Pakistan.

The plant is to be used to purify tritium, a gas that can be an ingredient in nuclear bombs but that also has some industrial uses. Because of its military uses, the export of tritium and the equipment to make it are controlled.

Mr. Farwick's statement confirmed the nature of the transaction. At a news conference last month, he said that the German concern and a sister company, Physikalisch-Technische Beratung, had provided Pakistan with unspecified tritium-processing equipment, but he offered no details.

Mr. Farwick told the legislative committee that a civilian use for the plant to purify tritium was "not plausible."

A U.S. official said that the shipment of the plant was puzzling because the first-generation nuclear weapons that Pakistan was believed to be developing were not believed to use tritium.

The official said he doubted that Pakistan had the ability at this time to effectively use tritium in making nuclear weapons.

But some specialists expressed concern that the shipment of the plant was an indication that Pakistan was trying to improve its nuclear production capabilities.



The Panchen Lama last week at his last public appearance.

Panchen Lama Is Dead at 50; Key to China's Policy in Tibet

By Nicholas D. Kristof
New York Times Service

BEIJING — The Panchen Lama, 50, Tibet's most important spiritual leader after the Dalai Lama and an important figure in China's policy toward Tibet, died Saturday during a visit to this region, Chinese officials said Sunday.

The official news media reported that he had died of a heart attack in his residence in Xigaze.

Official reports attributed the heart attack to fatigue resulting from the strains of presiding over the opening of an important new Buddhist shrine a week ago.

His death removes the senior spokesman for Tibet within the Chinese government, as well as an important mediator between officials in Beijing and independence-minded monks in Tibet.

Observers suggested that from the Tibetan point of view, no longer will there be an important religious leader lending legitimacy to Chinese rule over Tibet.

A Western diplomat added that the death "might cause complications in the reconciliation process."

Unlike the Dalai Lama, who fled China in 1959, the Panchen Lama never quite broke with China and was regarded by some as tainted by collaboration.

However, he refused many times to denounce the Dalai Lama and in

a speech in 1964 he called for Tibetan independence. He was subsequently denounced and during the 1966-76 Cultural Revolution he was tortured and imprisoned.

He resurfaced after the Cultural Revolution, and thereafter maintained an uneasy peace with the Chinese authorities.

Without advocating independence, he interceded on Tibet's behalf in the central government and sometimes strongly criticized Chinese conduct in Tibet.

Last Monday, he delivered one of his fiercest criticisms ever. He was quoted in the official press as saying that the benefits of Tibet's development during the last 30 years of communism had been outweighed by the price that had been paid.

Yet for all his criticisms, he was highly valued by the Chinese authorities because he favored reconciliation and in recent years did not advocate independence.

The Tibetans are expected to search for the next incarnation of the Panchen Lama. The search normally would be conducted on the basis of hints left by the dying lama, and it could take several years before a child is found who matches the description.

While he clearly commanded less reverence than the Dalai Lama, he nonetheless was deeply respected by Tibetans. In 1982, on his first

trip back to Tibet in more than 15 years, he was mobbed by tens of thousands of friendly Tibetans.

A week ago, when he opened the new Great Stupa at the Pashi Lhunpo Monastery in Tibet, 30,000 residents reportedly turned out.

Robert B. Kelly, 75,

Hero of Pacific War

COLUMBIA, Maryland (AP) — Robert B. Kelly, 75, a retired U.S. Navy captain whose PT boat combat in the Pacific during World War II was the basis for the book and movie "They Were Expendable," died Monday of pneumonia.

Mr. Kelly, who retired as a captain, won a Navy Cross, the navy's highest decoration honor after the Medal of Honor, for sinking a Japanese light cruiser off the island of Luzon in the Philippines in 1942. He retired in 1961 after serving as deputy chief of staff of the navy's Caribbean command.

Other details:

Clarence Norris, 76, the last survivor of the "Scottsboro Boys" rape case, which became a symbol of racial injustice in the Deep South in the 1930s, after a long illness Monday in New York.

Arthur Marshall, 78, whose benign humor endeared him to an audience of millions in half a lifetime of BBC radio and TV broadcasts, of cancer Friday in Christchurch, England.

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Syringes Tied to AIDS In 27 Soviet Infants

Washington Post Service

MOSCOW — Doctors and nurses using contaminated syringes infected at least 27 infants with the AIDS virus in a children's hospital in the southern Russian city of Elista, according to reports by Soviet officials.

During breast-feeding, four mothers then contracted the AIDS virus from their babies through small cracks in the women's nipples, the newspaper *Trud* reported.

The president of the Soviet Academy of Medical Sciences and the country's best-known expert on AIDS, Valentin Pokrovsky, said in a television newscast that he thought that the number of children infected with the virus at the hospital could double or triple.

"I believe we can say directly that the fault is with the hospital staff and nurses who probably used unsterile needles for children's in-

jections or just kept reusing the syringes," Dr. Pokrovsky said.

The Soviet Union produces almost no single-use syringes, and the state must use hard currency to buy them from abroad.

Soviet officials differ on the number of AIDS patients in the country, but the figure is rarely put at more than a few hundred, most of them foreigners. A U.S. expert on Soviet health, Murray Feshbach, said the number probably ran into the thousands "using only the most conservative published estimates."

Ivory Coast Crash Kills 44

The Associated Press

ABIDJAN, Ivory Coast — A bus packed with schoolchildren toppled into a ravine near Abidjan and 44 people were killed, the national radio said Sunday.

Sununu Defends Fee Idea

Bentsen Rejects New Bank Charge

By Kathy Sawyer

WASHINGTON — The White House chief of staff, John H. Sununu, defended the idea of putting a new fee on insured bank deposits on Sunday, saying it would merely adjust a longstanding "fee for services."

He said the idea was among several options under consideration to help the savings and loan industry. Instead of confronting Congress with a Bush initiative, he said, the administration was making "an effort to get to Congress early enough to let them be a part of crafting a solution."

But he said this had created "a firestorm" and allowed "those who were opposed to one side of all the proposals to take the lead and put the worst foot forward."

He said the fee proposal was "not necessarily the leading option."

Mr. Sununu made his comments on an ABC News television program. The response to the proposal, which was denounced by congressional leaders, apparently kept the Bush administration off guard. It seemed to contradict the president's pledge of no new taxes.

The fee proposal also appeared to drive home to taxpayers the fact that they would ultimately be asked to pay much of the \$100 billion or more price tag for the fraud, mismanagement and governmental errors that gave rise to the savings and loan crisis.

Increased fees on insured deposits would be paid by the banks, but the costs would probably be passed on to depositors.

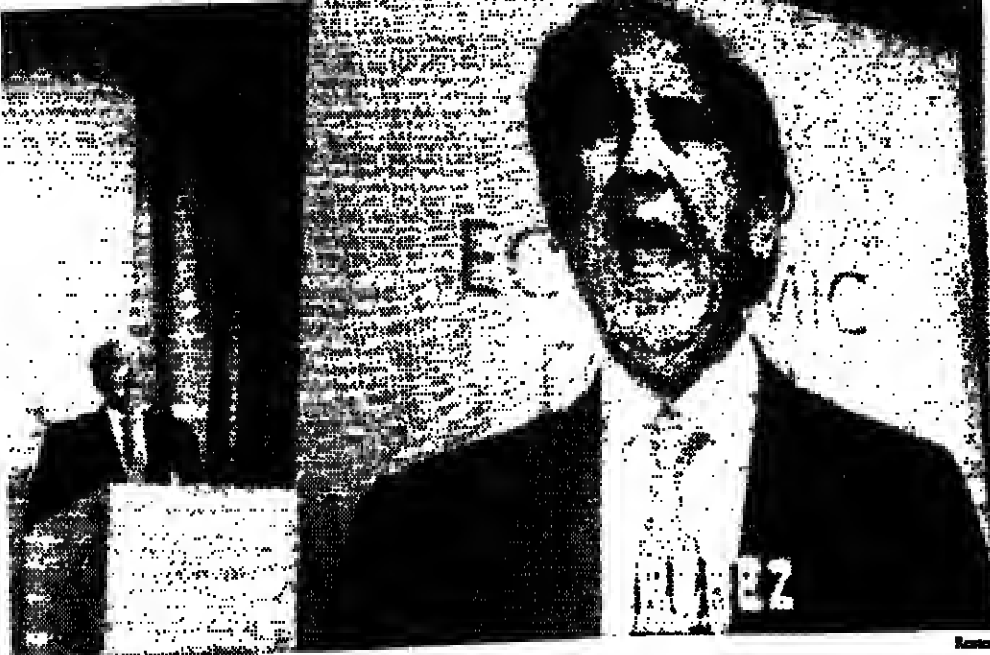
Senator Lloyd Bentsen, Democrat of Texas, the chairman of the Senate Finance Committee, said Sunday that the idea was "really very foolish."

"Obviously, it was shot down immediately," he said. "What we're trying to do is encourage savings in this country, because ours are at a historical low."

Whether it was called a tax or a user fee, he said, was "a matter of semantics."

"The results are the same," he said, speaking on an NBC News television program.

Mr. Sununu said the Treasury Department was examining all possible options. He described the fee proposal as "a fee for services that is over 50 years old" and that "was once twice as high."



Carlos Andrés Pérez, president-elect of Venezuela, addressing the economic conference at Davos.

DAVOS: Business Elite Foresees New Era of Growth

(Continued from Page 1)

firm grip on the U.S. budget deficit until next year.

Many shared Mr. Barre's overall upbeat message.

Herbert Giersch, president of the Institute for World Economic Development at the University of Kiel in West Germany, told the conference that "Perestroika in the West" involving the freeing of trade, deregulation and privatization, could add two percentage points a year to world economic growth in the 1990s.

Jacques Delors, president of the European Commission, the executive body of the European Community, said 1988 had seen the best economic growth in the community in 12 years and the most new investment in 21 years.

The European economy was already being stimulated by the prospect of the single EC market after 1992.

Mr. Barre said the new growth would be quite different from that of the past. It would be led by scientific and technological innovation, meaning that economic competition among nations would be won by those with the most knowledge.

A nation's most jealously guarded assets, he said, would be its educational skills and its investments in science and research. Unless Americans dramatically increased their savings rate, he suggested, the United States might be unable to afford such investments.

Even worse off, it might be supposed, would be developing countries, in Latin American and elsewhere, still struggling to pay off their crippling debts to Western governments and commercial banks.

Indeed, Carlos Andrés Pérez, the president-elect of Venezuela, came

all the way to Davos on the eve of his inauguration to remind the rich nations of their responsibilities on that very point.

In an emotional appeal to the delegates, Mr. Pérez said that while "the financial system and those who govern it may feel they have won the end of the tunnel" for the debt crisis, he said the fragile foundations of democracy.

Mr. Pérez suggested that a new international agency should buy up commercial debt at a discount, in exchange for risk-free long-term bonds at normal interest rates. Mr. Pérez did not elaborate on the bonds, but he called for a major international conference on the debt problem.

His proposals received less than a rapturous welcome. David C. Milford, U.S. undersecretary of the Treasury, said that while he was in favor of reducing the debt burden, it must not be done by shifting the risk from debtors to creditors.

He added that suffering in the Third World might well be alleviated if developing country leaders did more to stop their own citizens from exporting much-needed capital abroad, often illegally.

The point was there was a strong view in the private talks that "any new effort to help developing countries should not result in a waste of money."

But Mr. Barre's message from the mountains contained a note of encouragement for the poorer debt nations, just as it did for their richer creditors.

He detected, he said, a remarkable new readiness to talk about the once taboo concept of debt reduction and forgiveness and the need for a new international debt strategy. Indirectly conceding one of Mr.

Pérez's points, he said there was general agreement that while banks had often been the main beneficiaries of past debt-relief schemes, in future the developing countries should benefit.

Michael Camdessus, managing director of the International Monetary Fund, spoke of "the light at the end of the tunnel" for the debt crisis, even if they could not always see it.

Like many others, he expressed the fear that some of the debt countries might give up their efforts to solve their problems, after six years of crisis, if they were not reassured that more help was on the way.

As for the dawn of a new golden age, Mr. Camdessus was markedly more restrained.

"Unless we act on several fronts — unless in fact there is a universal adjustment effort — we shall not put growth on as durable a basis as we could," he said.

A sustained improvement in the U.S. foreign balance could only be achieved by a slowdown in American domestic demand, but it would not be easy for Europe and Japan to take up the slack.

"If some deceleration in global growth is to be avoided, it would seem to me to be particularly important not to lose any opportunity to stimulate growth where growth is especially needed — namely in the developing world," he said.

■ **Feldstein Sees Dollar Fall**

Martin S. Feldstein, a former chairman of the U.S. Council of Economic Advisers under President Ronald Reagan, said the dollar would fall by 15 percent in terms to 100 yen and 1.4 Deutsche marks within three years, Reuters reported from Davos.

He also said, "My own best judgment is that America will return to a trade balance by the mid-1990s."

GAS: Iran's Poison Gas Tied to U.S., West German and Asian Companies

(Continued from Page 1)

ships to Iran, Iraq and Syria are barred.

Alcolac has not been charged with wrongdoing, but court papers said the company failed to obtain the proper export license. Law enforcement officials said last week that the investigation was continuing.

The Customs investigation provides a detailed look at the techniques used by Iran, Iraq and other Middle Eastern nations to make covert purchases from Western and Asian companies.

Some of the methods attributed to the Iranian diplomat — the use of front companies, false documents and circuitous shipping routes — were similar to those relied on by West German companies helping Libya build its plant.

The case also illustrates the weaknesses of the West German export laws. An official at the German company who worked with Mr. Sobhani was arrested in the United States last year and pleaded guilty to violating U.S. export law.

That official, Peter Waltschek, at first agreed to cooperate with prosecutors by wearing a hidden microphone as an informant for the Customs Service.

But on Dec. 1, he fled from Washington and flew to West Germany, forfeiting a \$350,000 bond.

A spokesman for the West German Embassy in Washington said Mr. Waltschek could not be charged with violations of German law because the transactions took place outside the country.

Iran's efforts in Bonn involved the purchase of thiodiglycol, one of several chemicals needed to make mustard gas. The United States and 18 other nations have agreed to impose export restrictions on eight chemicals, including thiodiglycol, which is also used in ink. The United States requires licenses for its export and bans its shipment to Iran, Iraq and Syria.

Mr. Sobhani set out to frustrate those controls when he contacted Mr. Waltschek in Cologne at a company called Colimer GmbH, which later spawned Chemco to handle its international shipments.

According to government officials, the West German company bought three shipments of thiodiglycol from the U.S. company. Altogether, 90 tons were delivered to Iran.

But a later shipment of 120 tons was intercepted by U.S. agents,

who substituted barrels of water for the chemical and then traced their travels to Iran.

The fullest account of the Customs investigation is contained in a statement made in court five months ago by an assistant U.S. attorney, Martin Himeles, at the sentencing of Mr. Waltschek.

According to the statement, Chemco's shipments of the chemical to Iran began as early as March 1987 when the West German company ordered 30 tons of thiodiglycol from Alcolac. The material was purchased by Mr. Waltschek for \$30,000 and sent to a Greek company, Cy Savas Oikonomidis E.E. of Thessaloniki. It was then shipped to Iran, according to a government official.

In June of 1987, Mr. Sobhani asked Mr. Waltschek to order 60 more tons. This time the Iranian told him to use Hallet Enterprises of Singapore as an intermediary.

As required by U.S. law, Alcolac wrote on the bill of lading: "These commodities destined for ultimate destination Singapore. Diversion

contrary to U.S. law prohibited." Nonetheless, the shipment went from Singapore to Iran.

Shortly after a January 1988 visit to Iran, Mr. Waltschek ordered 120 more tons of thiodiglycol from Alcolac and moved to avoid problems with the shipping documents by telling Alcolac to draft them to say "Transshipping is allowed." He also asked that the destination be described only as the "Far East."

An Alcolac employee complied with both requests.

On April 19, 1988, those shipping documents caught the eye of a Customs inspector in Baltimore. According to an affidavit filed in a U.S. court in St. Louis, the chemicals were marked as requiring only a general license.

The affidavit said, however, that the export of thiodiglycol to Singapore required a "validated license," which is subject to a higher level of scrutiny from the Commerce Department. Failure to obtain the license, the affidavit said, violated export regulations.

Customs agents switched the thiodiglycol for water and began tracking it.

On April 22, the ship Oriental Friendship sailed for Singapore from Norfolk with the 429 drums of water. When the material reached Singapore, Hallet Enterprises, a shipping agent, had the drums loaded on the Ocean Star, a bound for Karachi, Pakistan.

The chemicals left Pakistan in June 1988 aboard an Iranian vessel, the Iran Ekram. Shipping papers show the barrels headed for the Iranian port of Bandar Abbas and were to be delivered to M.S. Ray Textile Industries of Tehran, a concern that U.S. officials said was a front company used by Iran for chemical purchases.

A week later, Mr. Waltschek went to Baltimore-Washington International Airport for a meeting with Alcolac.

He was met by Customs agents who arrested him. Shortly after, West German authorities raided Chemco, obtaining many of the telecommunication records used by U.S. investigators.

TOWER: U.S. Asks NATO to Extend Security Range

(Continued from Page 1)

with stronger laws," Mr. Schaefer said.

Mr. Tower urged the allies to bear a greater part of the burden of handling the Third World debt and to provide more security assistance to "small nations, friendly to the West, with disreputable neighbors," including Egypt and Tunisia.

The U.S. allies in West Europe, especially West Germany, have been reluctant to cooperate in security initiatives in North Africa and the Middle East because the regions are outside NATO boundaries. Italian and British officials said the allies could do more in such security projects. They said this had been demonstrated by the successful cooperation of British, Italian and other European NATO naval forces in patrolling the Gulf.

"We must recognize that regardless of the definition of the boundaries of NATO, we cannot afford to be inattentive," Mr. Tower said at the closing session of the two-day military affairs conference, named for the Munich military magazine Wehrmacht. It was attended by six NATO defense ministers and other senior officials, politicians, professors and journalists.

Mr. Tower said that "modernization is essential" of European-based, short-range nuclear weapons. The West German government is split over the issue, with Foreign Minister Hans-Dietrich Genscher seeking to delay a commitment.

Defense Minister Rupert Scholz, who favors modernization more than does Mr. Genscher, said weapons must be kept up to date but made no explicit commitment.

Senator John S. McCain Jr., Republican of Arizona, who is the acting chairman of a U.S. congressional delegation in Munich and who on Saturday attacked Bonn's handling of the affair surrounding the building of the Libyan chemical plant, said the new reports were "another indication that the environment here has to be changed."

Casting doubt in particular on Mr. Genscher's assertion that he was unaware of the West German participation in the Libyan plant until a few months ago, Mr. McCain said, "We cannot tolerate inactivity and benign neglect by any Western government."

The U.S. congressional statement was one of the starkest signs to date of the damage to U.S.-West German relations from the revelations this month suggesting that

Bonn had acted ineffectively for months after the U.S. Embassy formally notified the Foreign Ministry in May of U.S. suspicions of West German corporate involvement in the Libyan plant.

In a related development on Saturday, Mr. Scholz said what appeared to be a new, contradictory statement about when Chancellor Helmut Kohl and Mr. Genscher first learned of data implicating West German companies in the Libyan project.

Mr. Scholz said data about such involvement, which was provided to Mr. Kohl, Mr. Genscher and Mr. Scholz by George P. Shultz, then the secretary of state, and William H. Webster, then the director of central intelligence, on Nov. 15 in Washington was "completely new" for the West Germans at the time.

Mr. Scholz said all three German officials were "shocked."

That seemed to contradict a formal statement 10 days ago by Mr. Kohl's chief of staff, Wolfgang Schäuble. He told parliament that Mr. Kohl was "comprehensively informed" of intelligence data on possible West German corporate involvement in the Libyan plant at a briefing on Oct. 20, or 16 days before Mr. Kohl was briefed in Washington.

KABUL: Beleaguered City

(Continued from Page 1)

few gasoline stations. Taxi drivers and others often stay in their cars throughout freezing nights to keep their places in lines that snake around the block.

"Life is getting very difficult here," a Kabul resident said Sunday, volunteering his plight to a stranger. "I wonder what will happen when the Russians leave."

Moscow has said that it would continue to support the government of General Najib after its forces complete their withdrawal from the country, probably within the next week or 10 days, well before the Feb. 15 deadline set under the Geneva accords.

Soviet airlifts have been bringing in up to 250 tons of food daily since the situation in Kabul became acute in mid-January, and Soviet air and artillery power are playing a role in trying to break the stranglehold that the mujahideen have placed on the main highway to the capital from the Soviet border.

It is the continuation of this level of support that appears to have many average Afghans concerned, since the harsh winter will continue for many more weeks. In addition to the pressure from the mujahideen, highways to the mile-high capital are said to be icy and treacherous.

As if to underscore continuing Soviet support, a high-level delegation from the Soviet State Planning Committee flew in to Kabul on Sunday. Their arrival followed by a day the departure of the Soviet defense minister, Dmitri T. Yazov, who assured Kabul of continuing support as he left the country.

POOR: The Soviet Needy

(Continued from Page 1)

called the collector "home," he wrote in a letter to the government newspaper Izvestia. "But it's not my home alone — there are plenty of us here."

Mrs. Smolnikova, a divorced Leningrad mother of two teenagers, told Komsomolskaya Pravda that she could barely feed and clothe her family on her 200 ruble monthly salary.

"We don't have the necessary minimum of clothes or footwear," she said. "We don't have fruit and other things in our diet all year round."

Since Mikhail S. Gorbachev became the Soviet leader in 1985 and began to encourage a more candid look at the country, officials have acknowledged that the government has social problems long said to exist only in the West.

"For a long time," said a Western diplomat who follows Soviet social issues, "the authorities here wouldn't even keep statistics on poverty because they insisted it simply did not exist."

Quake Shakes Etna Region

The Associated Press

ROME — An earthquake measuring 3.3 on the Richter scale shook the Mt. Etna region in eastern Sicily on Sunday, causing minor damage but only one injury, the Italian news agency ANSA said.

JAPAN: Consortiums Race to Produce the Superchip

(Continued from Page 1)

incorporate new discoveries in higher-temperature materials while their American counterparts, in the words of one Japanese researcher, "are still looking for their old notes."

Unlike the research consortiums previously established by

Gorbachev Trip To Cuba Now Set for April

Reuters

MOSCOW — The Soviet leader, Mikhail S. Gorbachev, will visit Cuba in April, four months after he postponed a scheduled trip there because of the earthquake in Armenia, the official Tass press agency said Sunday.

Tass did not provide dates for the rescheduled visit or say how long the Soviet leader would stay.

Mr. Gorbachev had been scheduled to go to Cuba in December after he addressed the United Nations General Assembly.

He also postponed a visit to Britain planned for the same trip when the extent of devastation in the Dec. 7 earthquake became clear.

The Japanese effort is for the consortium to limit itself to precompetitive technology.

Dr. Tanaka's group, which includes 45 companies and is largely financed by industry, illustrates much about how Japan organizes projects of such a scale.

His center was established to attack the most basic questions. Researchers from all of Japan's major electronics concerns — which each donated 100 million yen (\$800,000) to set up the laboratory — circulate their researchers through the organization.

But while they cooperate in his laboratory, they compete fiercely back in their own. Development work on specific products is usually left to corporate laboratories, where proprietary discoveries can be kept out of the hands of competitors.

"The only way to make this work is for the consortium to limit itself to precompetitive technology," said Michiyuki Uenohara, the director of research for NEC Corp.

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His center was established to attack the most basic questions. Researchers from all of Japan's major electronics concerns — which each donated 100 million yen (\$800,000) to set up the laboratory — circulate their researchers through the organization.

But while they cooperate in his laboratory, they compete fiercely back in their own. Development work on specific products is usually left to corporate laboratories, where proprietary discoveries can be kept out of the hands of competitors.

"The only way to make this work is for the consortium to limit itself to precompetitive technology," said Michiyuki Uenohara, the director of research for NEC Corp.

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POOR: The Soviet Needy

(Continued from Page 1)

called the collector "home," he wrote in a letter to the government newspaper Izvestia. "But it's not my home alone — there are plenty of us here."

Mrs. Smolnikova, a divorced Leningrad mother of two teenagers, told Komsomolskaya Pravda that she could barely feed and clothe her family on her 200 ruble monthly salary.

"We don't have the necessary minimum of clothes or footwear," she said. "We don't have fruit and other things in our diet all year round."

Since Mikhail S. Gorbachev became the Soviet leader in 1985 and began to encourage a more candid look at the country, officials have acknowledged that the government has social problems long said to exist only in the West.

"For a long time," said a Western diplomat who follows Soviet social issues, "the authorities here wouldn't even keep statistics on poverty because they insisted it simply did not exist."

Quake Shakes Etna Region

The Associated Press

ROME — An earthquake measuring 3.3 on the Richter scale shook the Mt. Etna region in eastern Sicily on Sunday, causing minor damage but only one injury, the Italian news agency ANSA said.

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New International Bond Issues

Compiled by Bassam Aoun

Issuer	Amount (millions)	Mat.	Coups. %	Price	Price and week	Terms
FLLOATING RATE NOTES						
Commonwealth Bank of Australia	\$400	perp.	0.06	100	—	Over 6-month Libor, Exchangeable annually starting in 1994 into a five-year FRN with interest of 10.00% flat, Callable at par in 1994, Fees 0.25%, Denominations \$10,000, (Credit Suisse First Boston)
NUK Financial	\$100	1999	0.20	100	—	Over 6-month Libor, Callable at par in 1990, Fees 0.25%, Denominations \$100,000, (Gibson Glickman Int'l)
FIXED-COUPON						
Bardays Bank	\$100	1999	9%	101.40	99.85	Callable at 100% in 1994 declining by 1% per year, Fees 2% (Gibson Glickman Int'l)
Canon USA	\$ 70	1999	9%	102	—	Noncallable, Fees 2% (Mitsui Bank)
IBM Credit	\$250	1992	9%	101.07	100%	Noncallable, Fees 1.8%, (Credit Suisse First Boston)
Sumitomo Int'l Finance Australia	\$100	1993	9%	101.60	100.00	Noncallable, Fees 1.8%, (Sumitomo Finance Int'l)
Svenska Handelsbanken	\$120	1995	10	101%	100.00	Callable at par in 1991, Fees 1.8%, (Bankers Trust Int'l)
ISS-Finans AS Copenhagen	DM 140	1994	6%	101%	98.225	Noncallable, Fees 2% (Commerzbank AG)
Norddeutsche Landesbank Luxembourg	DM 100	1994	6	101%	—	Noncallable, Fees not disclosed, (Norddeutsche Landesbank)
PK Banken	DM 100	1996	6%	101%	100.10	Noncallable, Fees 2.4% (Bank of Tokyo Deutschland)
Republic of Finland	FF 600	1996	7%	96%	94.35	Callable at 101% in 1991 declining by 0.25 annually, Fees 1.8%, Fungible with a FF600 million bond issued on Apr. 8 1986, (Banque Indosuez)
European Investment Bank	m. 200,000	1996	11	101%	99.25	Callable at 101% in 1994 and at 100% in 1995, Fees 1.8%, (Banca Di Napoli)
Republic of Finland	DK 400	1994	9%	101%	100.00	Noncallable, Fees 1.8% (Privatbanken)
Province of Saskatchewan	CS 300	1994	10%	101	99.25	Noncallable, Fees 1.8% (Wood Gundy)
BFG Luxembourg	Aus 50	1992	15	101%	100.12	Noncallable, Fees 1.8%, (Bankers Trust Int'l)
Royal Bank of Canada	Aus 50	1991	15%	101%	100.45	Noncallable, Fees 1.8% (Bankers Trust Int'l)
EQUITY-LINKED						
Canon (Europe)	\$600	1993	open	100	106.50	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Jan. 30, (Yamachi Int'l Europe)
Canon (Asia)	\$400	1993	open	100	106.50	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Jan. 30, (Singapore Nomura Securities Bank)
Dai-ichi Kangi Denki	\$ 90	1993	open	100	100.00	Coupon indicated at 5.6%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Jan. 31, (Nomura Int'l)
Hankyu Department Stores	\$200	1993	4%	100	104%	Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at 1.25 yen per share and at 128.55 yen per dollar, Fees 2.4%, (Yamachi Int'l Europe)
Hanwa	\$700	1993	4%	100	107%	Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at 1.74 yen per share and at 128.55 yen per dollar, Fees 2.4%, (Yamachi Int'l Europe)
Kobe Steel Asia	\$500	1993	open	100	103.00	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Feb. 1, (Yamachi Int'l Europe)
Kobe Steel Europe	\$500	1993	open	100	103.00	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Feb. 1, (Nomura Int'l)
Kyocera	\$300	1993	open	100	105.00	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Jan. 31, (Daiwa Europe)
Mitsubishi Oil	\$250	1993	4%	100	105.00	Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at 1.44 yen per share and at 128.50 yen per dollar, Fees 2.4%, (Nikko Securities Europe)
Mitsui & Co.	\$1,000	1993	4%	100	106.00	Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at 1.18 yen per share and at 128.50 yen per dollar, Fees 2.4%, (Nomura Int'l)
Nakayama Steel Works	\$150	1993	4%	100	102.00	Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at 1.45 yen per share, Fees 2.4%, (Nomura Int'l)
NEC	\$500	1993	open	100	105.00	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Feb. 2, (Daiwa Europe)
Nippon Steel	\$1,000	1993	open	100	105.00	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Feb. 2, (Nikko Securities)
Sanken Electric Co.	\$150	1993	open	100	102.50	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Jan. 31, (Daiwa Europe)
Sanshin Electronics	\$ 40	1993	5%	100	99.50	Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at 1.42 yen per share and at 128.00 yen per dollar, Fees 2.4%, (Daiwa Europe)
Sumitomo Metal Industries	\$500	1993	open	100	105.00	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Feb. 1, (Nikko Securities)
Tokyo Store Chain	\$ 90	1993	open	100	102.50	Coupon indicated at 5.6%, Noncallable, Each \$3,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Jan. 31, (Nomura Int'l)
Topy Industries	\$150	1993	open	100	102.75	Coupon indicated at 4.5%, Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 24% premium, Fees 2.4%, Terms to be set Jan. 31, (Nikko Securities Co.)

EUROBONDS: Strong Tokyo Market Bolsters Equity-Linked Offerings

(Continued from first finance page) were virtually all targeted for sale in Japan. Bardays Bank PLC and Svenska Handelsbanken both issued callable bonds. The profit from the sale of the call option enables issuers to offer higher returns to compensate investors for the risk of having the paper redeemed early.

Bardays, for example, priced its paper to yield 74 basis points more than U.S. government bonds, about 20 basis points more generously than it would pay to issue noncallable paper.

The object is to be able to put a coupon of 10 percent on the bonds

a double-digit aimed at coupon-hungry investors in Japan. Bardays just missed that target, setting a coupon of 9 percent, but the paper still sold well in Japan. This issue was helped by the fact that the call provision, if exercised, will be at a small premium of 100% instead of the standard par redemption price.

The Bardays call was also long — anytime after five years, compared with the three to four years on other recent issues. Svenska Handelsbanken's six-year notes are callable after two years at par.

Also targeted for the Japanese

were issues by Canon USA and Sumitomo International Finance Australia, neither of which are guaranteed by the parent Japanese company although Canon's paper carries a guarantee by Mitsui Bank. With issues priced to yield 50 basis points more than U.S. Treasury rates, both companies were able to raise money more cheaply here than they could in the U.S. market.

IBM Credit sold \$250 million of three-year notes priced with a coupon of 9 percent, costing the company 26 basis points more than the yield on U.S. government paper.

In the floating-rate market, Commonwealth Bank of Australia issued \$400 million of perpetual notes, increased from the \$300 million initially announced to meet investor demand.

The Commonwealth Bank bonds are senior obligations guaranteed by Australia, with interest set at 6 basis points over the London interbank offered rate. After five years, and on each annual coupon payment date thereafter, holders can request to exchange their undated paper into a five-year floating-rate note, with the interest payment set at no margin over the average of the bid-offered interbank rate — effectively 6 basis points below Libor.

Thus, an investor seeking such repayment would have earned an average annual return over 10 years of Libor flat.

The attraction for the issuer is that the proceeds of the perpetual are considered by the Australian banking authorities as Tier 1 capital.

Under the new international guidelines set by bank regulators working under the aegis of the Bank for International Settlements, Tier 1 capital is equity or near-equity. And a key feature of equity is that it need not be re-

Giuliani Is Facing Deadline For Action Against Milken

(Continued from first finance page) NEW YORK — If Rudolph W. Giuliani wants to secure an indictment against Michael R. Milken, the head of Drexel Burnham Lambert Inc.'s junk bond operations, it will have to come on Monday.

Monday is the last day that the grand jury hearing the case will be sitting before Mr. Giuliani steps down as the U.S. attorney in Manhattan. His successor, Benito Romano, who will become acting U.S. attorney for Manhattan around midweek, could seek an indictment afterwards.

Lawyers for Mr. Milken spent Friday preparing for the possibility that their client could be indicted this week, anticipating charges of criminal racketeering and securities fraud.

The lawyers confirmed that they had held talks with federal prosecutors on the possibility of Mr. Milken's pleading guilty to reduced

charges. But they said the talks were terminated and an indictment was still expected.

The government had proposed to charge Mr. Milken with two felony counts that did not include racketeering.

According to a source close to Mr. Giuliani, the offer of a plea agreement was a "routine" move normally made by prosecutors shortly before an indictment is brought.

Federal prosecutors filed criminal charges of securities and mail fraud against Drexel on Tuesday. The firm has said it would plead guilty to those charges once it reaches a settlement of related civil charges brought in September by the Securities and Exchange Commission.

The SEC has accused Drexel, Mr. Milken and others of an array of securities violations. Mr. Milken is the largest shareholder in the closely held Drexel, with a stake of just under 6 percent. (NYT, LAT)

Dollar Finds Trading Range

By Carl Gewirtz

International Herald Tribune

PARIS — Central banks scored a modest victory in their repeated rounds of coordinated intervention to cap the dollar's strength last week. They kept the currency from reaching the high set a week earlier.

Technical analysts consider it significant that while the dollar finished trading at 1.8650 Deutsche marks, its best level of the week, it was still below the high of 1.88 DM briefly touched a week earlier.

"It shows the dollar is in a trading range," said Steven Blitz, a technical analyst for Salomon Brothers Inc. in New York.

Traders said the central banks adopted a new play Friday, intervening as European markets opened in an effort to prevent momentum building up to carry the dollar higher. The officials resumed their intervention just as the dollar sagged when Washington reported fourth-quarter growth figures that at first glance looked unfavorable for the currency.

But each time the central banks left the market, the dollar recovered and began climbing.

This pattern, evident for the past two weeks, is seen confirming that the money flowing into dollars is not short-term speculation by traders — who normally run away from showboots with central banks — but rather medium- and long-term investors, whose portfolio decisions are less susceptible to being influenced by official intervention in the foreign exchange market.

"My sense of the situation is that this is medium- and long-term investment," said Richard Koo, a Tokyo-based analyst for Nomura Securities Co. "Investors are reassessing the outlook for the U.S. economy. When the money flows are medium- and long-term, central banks have their work cut out for them."

Also noteworthy is that the dollar ended the week on a rising trend. Normally the dollar sags on Friday as traders close out positions to reduce or eliminate their exposure over the weekend.

Another striking pattern that has emerged over the past weeks is that demand for the dollar appears to be indifferent to news developments.

A disappointing trade report on Jan. 18 did cause the dollar to dip, but that decline was obviously seen as a new opportunity to buy the currency as it quickly recovered.

Last week, the currency market shrugged off mounting evidence that President George Bush and Alan Greenspan, the Federal Reserve Board chairman, are on a collision course over economic policy, with the president seeking to maximize the pace of economic expansion and the central bank chief aiming to minimize inflation.

When the fourth-quarter GNP data was released on Friday, the dollar initially slipped. Despite intervention aimed at pushing it down further, however, the currency subsequently rallied. The dollar dipped because the growth rate was slower than most analysts had been projecting — a 2 percent annual rate, compared with an expected 2.4 percent.

This subdued rate of growth was seen as relieving the Fed of having to raise interest rates in the immediate future. High U.S. interest rates — 3 1/2 percentage points above those prevailing in West Germany and 5 points higher than Japanese rates — are generally credited with pulling foreign money into the dollar. Once U.S. rates peak, money should start to flow out.

Instead, the dollar rose again. The interest rate outlook is good for the bond and stock markets, and foreign investors appeared to reason that even if the dollar ceased to rise, profits were still to be made on the gains on holdings of U.S. stocks and bonds.

"The psychology of the market now is that good news or bad news is good for the dollar," said Lawrence Brachman, economist at Bankers Trust Co. in New York.

John Lipsky, director of international bond market research at Salomon Brothers in New York, concurred. "The foreign exchange

PHONES: AT&T Close to Deal

(Continued from first finance page)

with Italtel could provide a key stepping stone into Europe.

But high-level lobbying has occurred on behalf of the European competitors: Chancellor Helmut Kohl of West Germany intervened on behalf of the Siemens bid and President Francois Mitterrand pushed for the French-owned Alcatel, during an October meeting with Mr. De Mita.

AT&T also lobbied hard in December during Mr. De Mita's visit to the United States.

The European candidates, along with the fourth runner-up, the Swedish company, L.M. Ericsson, are already present in the Italian market to varying degrees in the form of Siemens Italiana Telecomunicazioni, Alcatel-FACE and Ericsson's Farnes SpA. These manufacturers sell directly to SIP, the state telephone-operating company, and they have developed ties to the Italian telecommunications industry over a number of years.

Yet from the Italian viewpoint, the attractions of an AT&T partnership are compelling. The most important factor is that AT&T has guaranteed Italtel complete auton-

omy, a critical factor in the Italian decision.

Although the specifics of an eventual alliance between the two have not been spelled out, Il Sole 24 Ore reported that proposals had described a direct participation by AT&T in Italtel's capital that would range from 5 percent to 10 percent.

The relatively minor direct participation proposed by AT&T and promises of parity in joint ventures for product development have relieved Italian fears of being engulfed by a huge foreign partner.

Aggressive moves toward expansion by Siemens, such as its bid for Plessey Co. with General Electric Co. of Britain, may have worked against it for this reason.

Furthermore, AT&T has a technical edge in research and development, software, network management and transmission technology that fulfills Italtel's own modernization goals. Regarding expansion, AT&T offers not only access to the U.S. markets but has also promised to split the proceeds of future ventures into foreign markets.

In addition, AT&T's status as a major stockholder in Olivetti SpA has generated discussions of an eventual three-way venture.

SUBARU: Hopes Tied to Legacy

(Continued from first finance page)

cent in the same period, to \$1.67 billion last year.

And Subaru, which earned a record \$94 million in the 1986 fiscal year, had losses of \$30 million the next year and nearly \$58 million in 1988.

Some dealers say that while growth has slowed, sales are still respectable.

James Dwyer, salesman at Joe Dwyer Subaru Volvo Inc. in Detroit, said he could sell more new Subarus now if he had them, especially the four-wheel-drive wagons. Fortunately for Subaru, Mr. Lamm said, he resisted the temptation two years ago to spend about

\$260 million in cash and marketable securities accumulated during the years of plenty to pursue a diversification strategy. Many shareholders and analysts had urged Mr. Lamm in 1986 to use the money on acquisitions.

"A deep-pocket position is always a good one to be in, and unfortunately that idea has proven itself correct," Mr. Lamm said.

Cash and marketable securities have dropped to \$190 million, Mr. Lamm said. But he predicted that Subaru would again be profitable by this fall and that losses during the two-year downturn would be stopped at \$100 million, nearly equal to the company's 1986 profit.

Dollar Carries Bond Prices Higher

Compiled by Our Staff From Dispatches

NEW YORK — U.S. bond prices rose last week, dragged higher by a bullish outlook for the dollar and a perception that inflation would remain under control.

Short-term yields remained generally higher than returns on long-term securities, indicating that investors foresee lower interest rates in the long run.

"The outlook for bond prices remains favorable," Philip Braverman, chief economist of Irving Trust Co., said in a weekly credit market analysis. "The driving force toward lower bond yields is the firm dollar."

Despite central bank intervention against the dollar, it rose to 1.8650 Deutsche marks in New York on Friday from 1.8375 DM the previous week, and it advanced to 129.40 yen from 127.75.

With that boost from the dollar, the bellwether Treasury bond, the 9 percent issue that matures in May 2018, rose 1 1/2 points for the week, to 102 11/32. At that price, its yield fell to 8.77 percent from 8.89 percent.

Shorter-term issues also rose in price, but their yields remained lower than the 30-year issue. For example, 10-year notes were returning 8.95 percent, and 2-year issues yielded 9.07 percent.

The bond market rallied on Friday after the government reported that growth in the gross national product had slowed in the fourth quarter, a development that could reduce pressures for an increase in interest rates to slow the economy.

Most economists agreed the good news from the GNP report concerned inflation, with the fixed-

weighted price index showing that prices rose 4 percent in the fourth quarter, down from a 5.3 percent increase in the third quarter.

Another factor leading to higher

prices last week were comments by the Federal Reserve Board chairman, Alan Greenspan. Mr. Greenspan actually indicated that the central bank might push interest rates higher, but this helped bond prices by lending strength to the dollar and indicating the Fed would continue to control inflation.

S.E. Canada, a vice president of John Naveen & Co., said investors chose to focus on "the positive, long-term results of inflation fighting and the fact that high interest rates would lead to a strong dollar."

Analysts noted that central bank intervention against the dollar was mainly effective in curbing demand by short-term traders. Longer-term investors, analyzing the outlook for the U.S. economy, apparently remained drawn to dollar-denominated investments, such as bonds.

Corporate bond prices lagged the Treasury sector gains by about 1/4 point. (UPI, NYT)

U.S. CREDIT MARKETS

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OTC Consolidated trading for week ended Friday.

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(Continued on next page)

WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

Amsterdam stocks advanced last week, with the CBS general price index rising 1.1 percent, to 178.20, for the week. Volume fell to 6.93 billion guilders from 8.22 billion the previous week.

Unilever and Royal Dutch rose. Analysts said the first part of the privatization of DSM, the state-owned chemicals concern, would be oversubscribed.

Frankfurt

Foreign interest, especially in steel and chemical issues, and advances in New York and Tokyo, boosted prices last week.

The Commerzbank index finished Friday at 1,696.4, up 18.3 points from the previous Friday. Volume on the eight West German stock exchanges totaled 26.41 billion DM, up from 21 billion last week.

Hong Kong

Stocks advanced late in the week, largely because of a buoyant local real estate market pushing up property shares.

The Hang Seng Index was up 59.04 points for the week to finish at 2,956.35, a high since the market collapse of October 1987. The broader Hong Kong Index gained 40.02 to 1,948.10.

Average daily volume was 1.32 billion Hong Kong dollars, down slightly from 1.37 billion Hong Kong dollars the previous week.

London

The Stock Exchange enjoyed its second consecutive week of strong gains, with the FT-SE index breaking 2,000 points after better than expected trade figures were released on Friday. It closed up 46.1 points at 2,005.9, compared with the previous week's close of 1,959.5.

The announcement that the British current account deficit had shrunk to £1.26 billion for December pushed the index over 2,000 for the first time since the October 1987 market collapse.

The upward trend had been sustained earlier in the week by a radio interview with the chancellor of the Exchequer, Nigel Lawson, in which he said interest rates were high enough and restrictive policy was bearing fruit.

Milan

Milan stocks had an off week, with a drop in prices and volume. The Comit index finished at 601.31, against 612.92 a week previously. The Mediobanca index declined from 288.44 to 280.92.

An average of 55 million shares a day changed hands, against 75 million the previous week, with an average daily value of 190 billion lire against 275 billion.

The market was weakened by the drop in Fiat shares — off 3.2 percent for the week — despite positive 1988 results reported on Tuesday by it chairman, Giovanni Agnelli.

Paris

Stocks rose last week on the basis of the spot trend indicator, but the CAC share price index was unchanged for most of the week because of intermittent strike action by Bourse staff.

On the basis of the spot trend indicator, prices dropped almost one percent on Monday, rose by 1.89 percent on Tuesday and the same on Wednesday, dipped by 0.69 percent on Thursday, and were up by 0.68 percent on Friday.

Singapore

The Straits Times industrial index gained 20.17 points for the week to 1,115.48, its highest level of the year, while the SES all-share index gained 3.57 points to 307.28. Total volume for the five days rose 30 percent from 295.6 million shares, also a high for the year, while value was up 20 percent to 488.2 million Singapore dollars.

Tokyo

Prices rose sharply last week, with both market barometers finishing at record highs. The Nikkei

Stock Average of 225 selected issues closed the week at 31,679.07 yen after half-day trading Saturday, an all-time high and 508.69 yen higher than its 31,170.38 yen of Jan. 20. There was no trading the previous Saturday.

Another major market indicator, the Tokyo stock price index of all issues in the first section, finished at 2,478.12 points Saturday, also a new high and up 52.4 from a 2,425.72 finish last week.

Volume averaged 1.09 billion shares a day compared with last week's 1.118 billion. The daily value of stocks traded reached 1.4 trillion yen, up from the previous week's 1.309 trillion yen.

Analysts said the bullish tone was expected to continue for at least another month, as finance

ministers from the Group of Seven nations are likely to reaffirm currency stabilization cooperation.

Zurich

Stocks gained moderately last week in sustained trading, almost making up for the previous week's losses, operators said. The Credit Suisse index finished at 542.2 on Friday, against 535.9 a week earlier. The Swiss Bank Corp. indicator ended at 576.9 against 570.7.

Operators expressed worry about the short term because of the recent rise in mortgage rates, which has not yet been put through by all banks. They said bonds might suffer before stocks from the rise, which will result in some inflationary pressure.

Wall Street Review

NYSE Most Actives

Vol.	High	Low	Last	Chg.
IBM	114 1/2	114 1/4	114 1/2	+1/4
AT&T	54 1/2	54 1/4	54 1/2	+1/4
GE	34 1/2	34 1/4	34 1/2	+1/4
Merck	48 1/2	48 1/4	48 1/2	+1/4
Amgen	48 1/2	48 1/4	48 1/2	+1/4
Boeing	74 1/2	74 1/4	74 1/2	+1/4
Johnson & Johnson	64 1/2	64 1/4	64 1/2	+1/4
McKesson	48 1/2	48 1/4	48 1/2	+1/4
Amgen	48 1/2	48 1/4	48 1/2	+1/4
Boeing	74 1/2	74 1/4	74 1/2	+1/4

AMEX Most Actives

Vol.	High	Low	Last	Chg.
IBM	114 1/2	114 1/4	114 1/2	+1/4
AT&T	54 1/2	54 1/4	54 1/2	+1/4
GE	34 1/2	34 1/4	34 1/2	+1/4
Merck	48 1/2	48 1/4	48 1/2	+1/4
Amgen	48 1/2	48 1/4	48 1/2	+1/4
Boeing	74 1/2	74 1/4	74 1/2	+1/4
Johnson & Johnson	64 1/2	64 1/4	64 1/2	+1/4
McKesson	48 1/2	48 1/4	48 1/2	+1/4
Amgen	48 1/2	48 1/4	48 1/2	+1/4
Boeing	74 1/2	74 1/4	74 1/2	+1/4

NYSE Sales

Total	Vol.	Value
Jan. 27	1,118,000,000	\$1,400,000,000
Jan. 26	1,118,000,000	\$1,400,000,000
Jan. 25	1,118,000,000	\$1,400,000,000
Jan. 24	1,118,000,000	\$1,400,000,000
Jan. 23	1,118,000,000	\$1,400,000,000

AMEX Sales

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Jan. 24	1,118,000,000	\$1,400,000,000
Jan. 23	1,118,000,000	\$1,400,000,000

NYSE Dividends

Company	Dividend	Yield
IBM	\$2.00	1.75%
AT&T	\$1.00	1.85%
GE	\$0.50	1.45%
Merck	\$0.50	1.05%
Amgen	\$0.50	1.05%

AMEX Dividends

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AT&T	\$1.00	1.85%
GE	\$0.50	1.45%
Merck	\$0.50	1.05%
Amgen	\$0.50	1.05%

Chicago Exchange Options

Figures as of close of trading Friday, Jan. 27

Option & price	Calls	Puts	Option & price	Calls	Puts	Option & price	Calls	Puts
Feb. 1989			Mar. 1989			Apr. 1989		
IBM	114 1/2	114 1/4	AT&T	54 1/2	54 1/4	GE	34 1/2	34 1/4
Merck	48 1/2	48 1/4	Amgen	48 1/2	48 1/4	Boeing	74 1/2	74 1/4
Johnson & Johnson	64 1/2	64 1/4	McKesson	48 1/2	48 1/4	Amgen	48 1/2	48 1/4
Boeing	74 1/2	74 1/4	Johnson & Johnson	64 1/2	64 1/4	McKesson	48 1/2	48 1/4

American Exchange Options

Figures as of close of trading Friday, Jan. 27

Option & price	Calls	Puts	Option & price	Calls	Puts	Option & price	Calls	Puts
Feb. 1989			Mar. 1989			Apr. 1989		
IBM	114 1/2	114 1/4	AT&T	54 1/2	54 1/4	GE	34 1/2	34 1/4
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Johnson & Johnson	64 1/2	64 1/4	McKesson	48 1/2	48 1/4	Amgen	48 1/2	48 1/4
Boeing	74 1/2	74 1/4	Johnson & Johnson	64 1/2	64 1/4	McKesson	48 1/2	48 1/4

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Symbol	High	Low	Close	Chg.
IBM	114 1/2	114 1/4	114 1/2	+1/4
AT&T	54 1/2	54 1/4	54 1/2	+1/4
GE	34 1/2	34 1/4	34 1/2	+1/4
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Membres les actionnaires sont pûs d'adhérer à une ASSEMBLEE GENERALE EXTRAORDINAIRE qui se tiendra le mercredi 15 février à 11 h 30, au siège social, à l'effet de statuer sur les points suivants :

1. Proposition du Conseil d'Administration de modifier la composition du gérant à 3/9.
2. Proposition du Conseil d'Administration de modifier la composition du gérant à 3/9.
3. Proposition du Conseil d'Administration de modifier la composition du gérant à 3/9.

Les modifications au Règlement intérieur en ce qui concerne les décisions des actionnaires et les autres points de l'ordre du jour de l'Assemblée Générale Extraordinaire sont pûs d'adhérer à l'Assemblée Générale Extraordinaire.

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Finland**	F.A. (09) 60 30 30*	1,700	1,304	970	540
France**	F.F. 05-436 436	1,500	1,230	830	455
Germany**	D.A. 0130 25 31	580	403	320	174
Gr. Britain	B. 691 02 42***	23,500	31,100	13,250	7,300
Greece**	G. 155	118	74	41	21
Ireland	I. 360,000	295,200	200,000	110,000	55,000
Italy	I. 49 49 60	11,000	7,200	6,000	3,300
Netherlands**	N. 06-022 06 15	600	472	340	185
Norway**	N. (02) 41 24 89*	2,000	1,274	1,100	600
Portugal**	P. (01) 80 71 23*	26,000	32,400	14,300	7,900
Spain**	S. (91) 401 29 00*	31,000	23,600	17,000	9,400
Sweden**	S. (08) 21 01 90*	2,000	1,274	1,100	600
Switzerland	S.F. 046 05 68 00	455	455	255	141
Rest of Europe, N. Afr., X-French Africa, Mid. East		470	Varies by country	250	145
Rest of Afr., Gulf States		620		340	190
Central/Latin America		540		295	160

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